



Office of the Director  
Phone: 602.506.6443  
Email: AQmail@maricopa.gov

Maricopa.gov/AQ  
CleanAirMakeMore.com



December 11, 2019

Mr. Misael Cabrera  
Director  
Arizona Department of Environmental Quality (ADEQ)  
1110 W. Washington Street  
Phoenix, Arizona, 85007

RE: Submittal of Maricopa County Air Quality Department (MCAQD) Rule 204 as a Revision to the Arizona State Implementation Plan (SIP)

Dear Mr. Cabrera:

As the designated U.S. Environmental Protection Agency (EPA) contact, the MCAQD hereby requests that ADEQ submit to the EPA for approval into the Arizona SIP the enclosed Rule 204 (Emission Reduction Credit (ERC) Generation, Certification, and Use). The Maricopa County Board of Supervisors approved revisions to Rule 204 and approved submittal of the rule as a revision to the Arizona SIP at a public hearing on December 11, 2019.

In this submittal, the MCAQD is including all of the administrative materials and technical support materials specified in Appendix V to 40 CFR 51.

You may direct any questions to Kimberly Butler, Manager of the Planning & Analysis Division, at 602-506-6731 or Kimberly.Butler@maricopa.gov.

Sincerely,

A handwritten signature in black ink, appearing to read 'Philip A. McNeely', is written over a horizontal line.

Philip A. McNeely, R.G.  
Director

Enclosure

Cc email: Gerardo Rios – Rios.Gerardo@epa.gov, EPA  
Daniel Czecholinski – dc5@azdeq.gov, ADEQ

PAM/gjv



Maricopa County Air Quality Department

Phone: 602.506.6010

Fax: 602.506.6985

[Maricopa.gov/AQ](http://Maricopa.gov/AQ)

[CleanAirMakeMore.com](http://CleanAirMakeMore.com)

**REVISION TO ARIZONA'S STATE IMPLEMENTATION PLAN (SIP)**  
**RULE 204 OF THE MARICOPA COUNTY AIR POLLUTION CONTROL**  
**REGULATIONS (MCAPCR)**

**December 2019**

## **TABLE OF CONTENTS**

### **SECTION 1: INTRODUCTION**

- 1.1 Purpose
- 1.2 Regulatory Background
- 1.3 Summary of Rule 204
- 1.4 Demonstration of How Emission Reductions Generated Through Truck Stop Electrification, Electric Standby Equipped Transport Refrigeration Units, and Electrified Onsite Equipment Meet the Federal Clean Air Act Requirements for NSR Offsets

### **SECTION 2: COMPLETENESS CRITERIA**

- 2.1 Administrative Materials
- 2.2 Technical Support

### **APPENDICES**

- Appendix 1: Notices of Stakeholder Workshops
- Appendix 2: Notice of Board of Health Meeting to Initiate Regulatory Change
- Appendix 3: Board of Health Approval to Initiate Regulatory Change
- Appendix 4: Notice of Proposed Rulemaking
- Appendix 5: Notice of Board of Health Meeting to Make Recommendation to the Board of Supervisors
- Appendix 6: Board of Health Recommendation to the Board of Supervisors
- Appendix 7: Notice of Public Hearing
- Appendix 8: Board of Supervisors' Approval
- Appendix 9: Notice of Final Rulemaking
- Appendix 10: Relevant Arizona Revised Statutes
- Appendix 11: Rule 204 (Adopted December 11, 2019)

## **SECTION 1: INTRODUCTION**

### **1.1 Purpose:**

The federal Clean Air Act's (CAA) New Source Review (NSR) program requires the owner or operator proposing to construct a new major source or proposing to construct a major modification of an existing major source in a nonattainment area to obtain emission offsets before the proposed project may commence. The purpose of requiring emission offsets is to allow a nonattainment area to move towards attainment of the National Ambient Air Quality Standards (NAAQS) while still allowing for industrial growth in that area.

Maricopa County is currently designated as a moderate nonattainment area for the 2008 8-hour ozone NAAQS. As a result, an owner or operator proposing to construct a new major source or proposing to construct a major modification of an existing major source must obtain 1.15 tons of emission offsets for every 1.0 ton of proposed emission increases from the project. Currently, there is a limited amount of emission offsets available in Maricopa County to allow for industrial growth of certain major sources. In particular, there is a limited amount of volatile organic compound (VOC) and oxides of nitrogen (NO<sub>x</sub>) emission offsets available.

To accommodate future economic growth in Maricopa County while complying with federal air quality requirements, the MCAQD revised Rule 204 (Emission Reduction Credit (ERC) Generation, Certification and Use) to allow for the generation, certification, and utilization of ERCs from three nontraditional sources of ERCs. The generation, certification, and utilization of ERCs from these nontraditional sources will increase the amount of ERCs available in Maricopa County and thereby increase the amount of emission offsets available for major sources looking to locate or expand in Maricopa County.

The purpose of this State Implementation Plan (SIP) revision is to request EPA's approval of Rule 204, as adopted by the Maricopa County Board of Supervisors on December 11, 2019, into the Arizona SIP. Approval of Rule 204 into the Arizona SIP will allow for the generation and certification of more ERCs in Maricopa County and allow the county to continue to move towards attainment of the NAAQS while still allowing for industrial growth in the county.

### **1.2 Regulatory Background:**

In 1999, the Arizona State Legislature passed House Bill 2594 giving the Arizona Department of Environmental Quality (ADEQ) the authority to "...establish and administer an Arizona emissions bank." The emissions bank was authorized under Arizona Revised Statutes (A.R.S.), Title 49, Chapter 3, Article 1, Section 410 [A.R.S. § 49-410] and implemented by the ADEQ under Arizona Administrative Code (A.A.C.), Title 18, Chapter 2, Article 12 [R18-2-1201 et seq]. The statute provided that a permitted source that reduced emissions of conventional air pollutants by an amount greater than legally required "shall be granted credit in an amount determined by the department of environmental quality." [A.R.S. § 49-410(B)]. The statute set forth conditions for the emissions to be eligible for credit and deposited into the bank. Specifically, the emission reductions had to be permanent, quantifiable, and otherwise enforceable and occur after the effective date of the statute. The statute also allowed the ADEQ to delegate the certification of emission reduction credits to a county or multi-county air quality control region while ADEQ retained

the authority to register the deposit, transfer and use of emission reduction credits and administer the voluntary Arizona emissions bank [A.R.S. § 49-410(C)].

For sources located within Maricopa County, the ADEQ tasked the MCAQD with the responsibility to certify emissions reduction credits from permitted sources seeking credit for emission reductions within Maricopa County, revise permits for those sources using the voluntary emission reductions, and issue permits to eligible sources wishing to use emission reductions credits within Maricopa County. The Maricopa County Board of Supervisors adopted Rule 204 on May 7, 2003, to provide a means for permitted sources located within a nonattainment area of Maricopa County to generate and use emission reduction credits while continuing to move the county forward in meeting the NAAQS.

In 2017, the Arizona State Legislature amended A.R.S. § 49-410 to allow for the generation, certification, and utilization of ERCs from nontraditional (non-permitted) sources. The ADEQ followed with a revision to the Arizona Administrative Code on June 14, 2019.

In December 2019, the MCAQD revised Rule 204 to allow for the generation, certification, and utilization of emission reduction credits (ERCs) from nontraditional sources of ERCs, specifically from private truck stop electrification, electric standby equipped transport refrigeration units, and electrified onsite equipment. Additional revisions aligned Rule 204 with the revisions made to the ADEQ Voluntary Emissions Bank rules.

### **1.3 Summary of Rule 204:**

#### **Rule 204 Content and Structure**

In general, where similar content exists, Rule 204 aligns with the 2019 ADEQ Emissions Bank rules (R18-2-1201 et seq.). An overview of each rule section is below.

- Section 100 (General) states the purpose of the rule and applicability of the rule which includes nontraditional (non-permitted) sources of ERCs (regulatory generators and plan generators).
- Section 200 (Definitions) lists definitions of terms used in the rule. Many of the definitions are consistent with the definitions found in A.A.C. Title 18, Chapter 2, Article 12, R18-2-1201. Additional definitions include terms associated with private truck stop electrification, electric standby equipped transport refrigeration units, and electrified onsite equipment.
- Section 300 (Standards) describes the application, certification, registration, and utilization requirements of ERCs generated by permitted and regulatory generators.
- Section 400 (Administrative Requirements) describes the responsibilities of a permitted source using certified credits as offsets including actions that a permitted source must take if an offset shortage is discovered.
- Section 500 (Monitoring and Records) describes specific recordkeeping and monitoring requirements that a regulatory generator must comply with to demonstrate the continued generation of emission reductions and the integrity of the certified credits.
- Appendices A, B, and C describe the calculation methodologies used to quantify baseline emissions and to quantify emission reductions generated by regulatory generators.

An in-depth discussion of each section is below.

### **Section 100 (General)**

Section 101 (Purpose) states the purpose of the rule is to facilitate the creation and trading of emission reduction credits (ERCs) for use as offsets by providing a process for:

- Creating emission reduction credits for reductions achieved by permitted generators and regulatory generators;
- Certifying emission reduction credits;
- Registering certified credits in the Arizona Emissions Bank;
- Using certified credits registered in the Arizona Emissions Bank; and
- Using certified credits not registered in the Arizona Emissions Bank.

Section 102 (Applicability) specifies the persons and entities that Rule 204 applies to:

- A permitted generator, as defined in Section 215.
- A plan generator, as defined in Section 216.
- A regulatory generator, as defined in Section 221.
- The owner or operator of a permitted stationary source intending to use the certified credits as offsets.

**Section 200 (Definitions)** The definitions in Section 200 are derived from definitions in the A.A.C. R18-2-1201, federal and state regulations, federal and state guidance documents, and the Maricopa County Air Pollution Control Regulations.

The following definitions are derived from definitions in A.A.C. R18-2-1201:

- ACCOUNT HOLDER
- ARIZONA EMISSIONS BANK
- CERTIFIED CREDIT except the emission reduction credit must meet the certification criteria in Rule 204 and be issued by the MCAQD
- EMISSION REDUCTION CREDIT
- ENFORCEABLE
- GENERATOR
- OFFSET-CREATION RULE
- OFFSETS
- PERMANENT the adopted definition of permanent in A.A.C. R18-2-1201 differs from the definition in Rule 204 but the definition of permanent in Rule 204 was derived from a draft version of A.A.C. R18-2-1201 before it was revised to the adopted definition
- PERMITTED GENERATOR
- PLAN GENERATOR
- QUALIFYING EMISSIONS
- REAL
- REGULATORY GENERATOR
- SURPLUS

The following definitions are derived from federal and state regulations, federal and state guidance documents and the Maricopa County Air Pollution Control Regulations:

- BASELINE EMISSIONS definition is derived from the definition of baseline actual emissions found in 40 CFR 52.21(b)(48).
- ELECTRIC STANDBY EQUIPPED TRU definition is derived from the California Air Resources Board's Regulatory Guidance for Electric Standby and Hybrid Electric Systems as Alternative Technology Compliance Strategies.
- IDLE REDUCTION TECHNOLOGY definition is derived from EPA's *Guidance for Quantifying and Using Long Duration Truck Idling Emission Reductions in State Implementation Plans and Transportation Conformity* (EPA420-B-04-001, January 2004).
- LONG DURATION IDLING definition is derived from EPA's *Guidance for Quantifying and Using Long Duration Truck Idling Emission Reductions in State Implementation Plans and Transportation Conformity* (EPA420-B-04-001, January 2004).
- ONSITE EQUIPMENT definition is derived from 49 U.S.C. § 47102(3)(L). The definition is intended to be general as to not limit the specific type of equipment or to a specific type of industry using onsite equipment. The key factors are the onsite equipment is part of the same fleet and is located at one location within a nonattainment area of Maricopa County.
- PRIVATE TRUCK STOP definition is derived from MCAQD Ordinance P-21 Vehicle Idling Restriction, Section 2.G. The term "private" was included to limit the applicability of the rule to a fleet of trucks that has an owner or operator with direct control over the truck inventories and fleet operations.
- QUANTIFIABLE definition is taken from Rule 100 of the Maricopa County Air Pollution Control Regulations.
- TRANSPORT REFRIGERATION UNIT (TRU) definition is derived from the California Code of Regulations, Title 13, Division 3, Chapter 9, Article 8, Section 2477.
- TRUCK STOP ELECTRIFICATION (TSE) definition is derived from the EPA's *Guidance for Quantifying and Using Long Duration Truck Idling Emission Reductions in State Implementation Plans and Transportation Conformity* (EPA420-B-04-001, January 2004).

### **Section 300 (Standards)**

#### **Section 301 (Certification of Credits for Emission Reductions by a Permitted Generator)**

Section 301.1.a provides two conditions under which a permitted generator may apply for certified credits. Under the first condition, a permitted generator may apply for certified credits after submitting a permit revision that imposes conditions to make reductions in qualifying emissions permanent and enforceable. Under the second condition, a permitted generator may apply for certified credits after submitting a notice of permit termination for the shutdown of a permitted source resulting in reductions in qualifying emissions that are permanent and enforceable.

Section 301.1.b describes the information a permitted generator and regulatory generator must include in an application for certified credits. This includes information on the amount of and methodology for calculating the reductions in qualifying emissions as well as any other information necessary to verify the reductions qualify as permanent, quantifiable, surplus, enforceable and real.

Section 301.2 (Action on Application) describes the Control Officer's action on the application. First, the Control Officer reviews the application to determine if the information provided demonstrates the emission reductions meet the offset generation integrity criteria of permanent, quantifiable, surplus, enforceable, and real. If the Control Officer determines the emission reductions meet the offset generation integrity criteria, the Control Officer will issue one certified credit for each ton per year of reduction that meets the integrity criteria, as rounded down to the nearest one tenth (1/10) of a ton. If the Control Officer determines that the emission reductions do not meet all of the offset generation integrity criteria, then the Control Officer will not issue any certified credits for the emission reductions.

Section 301.3 (Registration of Certified Credits in the Arizona Emissions Bank) notifies the permitted generator the certified credits may be registered in the Arizona Emissions Bank and directs the permitted generator to Section 306 for registration procedures. The registration of certified credits in the Arizona Emissions Bank is not required.

#### Section 302 (Certification of Credits for Emission Reductions by a Regulatory Generator)

Section 302.1.a references specific sections in the rule that a regulatory generator must comply with in order to apply for certified credits. The application conditions under these sections is described in further detail below.

Section 302.1.b references Section 301.1.b which, again, describes the information a permitted generator and regulatory generator must include in an application for certified credits. This includes information on the amount of and methodology for calculating the reductions in qualifying emissions as well as any other information necessary to verify the reductions qualify as permanent, quantifiable, surplus, enforceable and real.

Section 302.2 (Action on Application) describes the Control Officer's action on the application. First, the Control Officer reviews the application to determine if the information provided demonstrates the emission reductions meet the offset generation integrity criteria of permanent, quantifiable, surplus, enforceable, and real. If the Control Officer determines the emission reductions meet the offset generation integrity criteria, the Control Officer will issue one certified credit for each ton per year of reduction that meets the integrity criteria, as rounded down to the nearest one tenth (1/10) of a ton. If the Control Officer determines that the emission reductions do not meet all of the offset generation integrity criteria, then the Control Officer will not issue any certified credits for the emission reductions.

Section 302.3 (Registration of Certified Credits in the Arizona Emissions Bank) notifies the regulatory generator the certified credits may be registered in the Arizona Emissions Bank and directs the regulatory generator to Section 306 for registration



procedures. The registration of certified credits in the Arizona Emissions Bank is not required.

Section 303 (Truck Stop Electrification (TSE)) applies to a regulatory generator that owns a private truck stop and uses truck stop electrification idle reduction technology to reduce long duration idling emissions.

Section 303.1 describes the specific requirements an owner or operator of an electrified truck stop must comply with in order to apply for certified credits. First, the truck stop must meet the definition of a private truck stop, as defined in Section 217, and the truck stop must be located within a nonattainment area under the jurisdiction of Maricopa County. Second, the owner or operator of the truck stop must quantify baseline emissions from each electrified truck space using the calculation methodology in Appendix A. Third, the owner or operator of the truck stop must quantify the emission reductions from each electrified truck space using the calculation methodology in Appendix A. This section explicitly states emission reductions created or used under any other emissions trading program, used to satisfy the State Implementation Plan including transportation conformity requirements, funded by the Diesel Emissions Reduction Act, or any emission reductions created pursuant to a federal consent decree, or state and local settlements cannot be included in the calculations. In addition, emission reductions from the use of mobile idle reduction technology cannot be included in the calculations.

Section 303.2 describes the specific operating, utilization, monitoring, recordkeeping and maintenance requirements an owner or operator of a private truck stop must follow to ensure the continued generation of emission reductions. The requirements are as follows:

Section 303.2.a (Idle Reduction Technology Operation and Use) requires the owner or operator of a private truck stop to operate and maintain the idle reduction technology in accordance with the manufacturer's written instructions to ensure the equipment is operated and maintained properly. In addition, subsections of this section prohibit the use of the truck's engine while using the idle reduction technology and require the truck to be properly modified, if necessary, in accordance with the manufacturer's written instructions to allow for the use of the technology.

Section 303.2.b (Emission Reduction Monitoring) requires the use of tamper-proof TSE-based dataloggers and electricity flow meters to record the time the truck is plugged into the electricity and the amount of electricity consumed during that time. In addition, this section requires all monitoring equipment be operated and maintained in accordance with the manufacturer's written instructions to ensure the equipment is operated and maintained properly.

Section 303.2.c (Recordkeeping) lists sections in the rule that outline the regulatory generator's recordkeeping responsibilities.

Section 303.2.d (Maintenance of Electrified Truck Stop Parking Space) requires the regulatory generator to maintain each of the electrified truck stop parking spaces used to generate the certified credits.

Section 304 (Transport Refrigeration Unit (TRU)) applies to a regulatory generator that reduces truck and trailer TRU emissions by using electricity to power electric standby equipped TRUs.

Section 304.1 describes the specific requirements a regulatory generator that reduces truck and trailer TRU emissions must comply with in order to apply for certified credits. First, the electric standby equipped TRU must meet the definition of an electric standby equipped TRU as defined in Section 205 and be located within a nonattainment area within the jurisdiction of Maricopa County. Second, the owner or operator of the electric standby equipped TRU must quantify baseline emissions for each electric standby equipped TRU using the calculation methodology in Appendix B. Third, the owner or operator of the electric standby equipped TRU must quantify the emission reductions from each electric standby equipped TRU using the calculation methodology in Appendix B. This section explicitly states emission reductions created or used under any other emissions trading program, used to satisfy the State Implementation Plan including transportation conformity requirements, funded by the Diesel Emissions Reduction Act, or any emission reductions created pursuant to a federal consent decree, or state and local settlements cannot be included in the calculations.

Section 304.2 describes the specific operating, monitoring, recordkeeping and maintenance requirements an owner or operator of an electric standby equipped TRU must follow to ensure the continued generation of emission reductions. The requirements are as follows:

Section 304.2.a (Electric Standby Equipped TRU Operation and Maintenance) requires the owner or operator of an electric standby equipped TRU to operate and maintain the TRU in accordance with manufacturer's written instructions to ensure the TRU is operated and maintained properly and to ensure the continued generation of emission reductions.

Section 304.2.b (Emission Reduction Monitoring) requires the use of tamper-proof data acquisition systems installed on each TRU to quantify the electric standby operation of the TRU and the amount of electricity consumed during that time. In addition, this section requires all monitoring equipment be operated and maintained in accordance with the manufacturer's written instructions to ensure the equipment is operated and maintained properly.

Section 304.2.c (Recordkeeping) lists sections in the rule that outline the regulatory generator's recordkeeping responsibilities.

Section 305 (Onsite Equipment) applies to a regulatory generator that owns a fleet of onsite equipment and electrifies all or part of the fleet to reduce emissions.

Section 305.1 describes the specific requirements a regulatory generator that owns a fleet of onsite equipment must comply with in order to apply for certified credits. First, the electrified onsite equipment used to generate the emission reductions must be part of the same fleet, operated at the same location, and located within a nonattainment area within the jurisdiction of Maricopa County. Second, the owner or operator of a fleet of onsite equipment must quantify baseline emissions from each piece of onsite equipment prior to electrification using the calculation

methodology in Appendix C. Third, the owner or operator of a fleet of onsite equipment must quantify the emission reductions from each piece of electrified onsite equipment using the calculation methodology in Appendix C. This section explicitly states emission reductions created or used under any other emissions trading program, used to satisfy the State Implementation Plan including transportation conformity requirements, or any emission reductions created pursuant to a federal consent decree, or state and local settlements cannot be included in the calculations.

Section 305.2 describes the specific operating, monitoring, repowering, removal/disposal, recordkeeping and maintenance requirements an owner or operator of an electrified fleet of onsite equipment must follow to ensure the continued generation of emission reductions. The requirements are as follows:

Section 305.2.a (Electrified Onsite Equipment Operation and Maintenance) requires the owner or operator of an electrified fleet of onsite equipment to operate and maintain the equipment in accordance with the manufacturer's written instructions to ensure the equipment is operated and maintained properly and to ensure the continued generation of emission reductions.

Section 305.2.b (Monitoring of Equipment Use) requires the regulatory generator to monitor the use of all electrified equipment used to generate credits and monitor the use of all diesel and gasoline powered equipment used for the same purpose as the electrified equipment to verify that the electrified equipment is operated in the same manner as was represented in the emission reduction credit application. In addition, this section requires all monitoring equipment be operated and maintained in accordance with the manufacturer's written instructions to ensure the equipment is operated and maintained properly.

Section 305.2.c allows the regulatory generator to convert or "repower" the conventionally fueled equipment to electric power if two conditions are met. First, the repowering must be permanent, meaning the equipment can never be repowered back to conventional fuel. Second, the repowered equipment can only operate using electrical power.

Section 305.2.d (Removal/Disposal of Replaced Equipment) requires the removal from the nonattainment area of any piece of diesel or gasoline powered onsite equipment that has been replaced with an electrified unit. If the replaced equipment is not removed from the nonattainment area, the replaced equipment must be permanently disabled and disposed of in a manner that complies with all applicable local, state, and federal laws. To verify compliance with this requirement, the rule requires the regulatory generator to provide evidence of proper disposal, upon request, to either the Control Officer or the permitting source using the ERCs as offsets.

Section 305.2.e (Recordkeeping) lists sections in the rule that outline the regulatory generator's recordkeeping responsibilities.

Section 306 (Registration of Certified Credits in the Arizona Emissions Bank) outlines the procedures for registration of certified credits in the Arizona Emissions Bank. The registration of certified credits into the Bank is not required.

Section 306.1 requires the permitted or regulatory generator to indicate on the initial application if the certified credits are to be deposited into the Arizona Emissions Bank. Next, they must open an account with the Arizona Emissions Bank. The process of opening an account is found in A.A.C. R18-2-1206.A.

Section 306.2 outlines the Control Officer's responsibility to notify the ADEQ, on a form prescribed by the ADEQ, of the number of certified credits issued to the permitted generator or regulatory generator.

Section 307 (Use of the Certified Credits) outlines the requirements for the use of certified credits. This section is divided into three parts. The first part outlines the requirements for the use of certified credits registered in the Arizona Emissions Bank and the second part outlines the requirements for the use of certified credits that are not registered in the bank. The third part addresses maintaining the surplus integrity criteria.

Section 307.1 (Certified Credits Registered in the Arizona Emissions Bank) requires an account holder (defined in Section 201) to file an application with the ADEQ to use the certified credits. On approval of the application, the ADEQ issues a certificate to the account holder with the number certified credits that can be included in a permit application. In addition, the ADEQ notifies the MCAQD of issuance of the certified credits. The Control Officer then reviews the stationary source's application for a permit or permit revision and notifies the ADEQ of the action taken on the permit application. Section 307.1.d requires any reductions in qualifying emissions reflected in the number of certified credits to be implemented before actual construction of the new stationary source or modification begins.

Section 307.2 (Certified Credits Not Registered in the Arizona Emissions Bank) requires the owner or operator of a stationary source intending to use certified credits not registered in the Arizona Emissions Bank to notify the Control Officer of the intent to use the certified credits as offsets. The certified credit certificate must be submitted to the MCAQD when applying for a permit or permit revision. The Control Officer reviews the stationary source's application and either approves or denies the use of the certified credits as offsets. Upon approval, the Control Officer notifies the applicant of the number of certified credits that may be included in the permit or permit revision application. If there are remaining available certified credits, the Control Officer will reissue the certificate with a sequential revision number to document the availability of any remaining certified credits. If the Control Officer denies the use of the certified credits for offsets, the Control Officer will return the unused certificate and provide the applicant with a written notification of the reason for denial.

Section 307.3 (Maintaining Surplus Integrity Criteria) states the Control Officer may revise the amount of certified credits originally issued at the time of the credit's use in order to maintain the surplus integrity criteria.

## **Section 400 (Administrative Requirements)**

### **Section 401 (Offset Integrity Responsibilities)**

Sections 401.1 and 401.2 require the user of the certified credits to evaluate the integrity of their emission offsets by reviewing the records of the regulatory generator/plan generator who generated the certified credits. The user of the

certified credits is required to review the records every six (6) months to verify that the emission reductions generated equal the amount of certified credits used as offsets for the permitted source. A copy of the records must be included with the permitted source's semi-annual report to the MCAQD. The semi-annual reports are reviewed by the MCAQD for completeness and provide an additional layer of review of the records.

Section 401.3 (Offset Shortage) describes the corrective actions a permitted source must take if the source determines the regulatory generator or plan generator are generating less emission reductions than the amount of certified credits the permitted source used to obtain their permit. Upon discovery of the emission reductions shortage, the permitted source must, within 24 hours, notify the Control Officer by phone of the shortage and, within 72 hours, submit written notification of the shortage to the Control Officer and limit operations to compensate for the shortage. Following that, the permitted source must compensate for the ongoing shortage of emission reductions by submitting a permit application within ninety (90) days to either limit emissions, provide replacement offsets, or a combination of both. Section 401.3.b states a permitted source that operates without adequate offsets is in violation of these rules. If a permitted source operates without adequate offsets, the MCAQD may commence an enforcement action.

### **Section 500 (Monitoring and Records)**

Section 501 (Recordkeeping and Records Retention) requires regulatory generators to maintain records on-site and make the records available upon request to the owner or operator of a permitted source utilizing the certified credits and to the Control Officer or his designee. In addition, this section requires regulatory generators to maintain records for five years beyond the use or retirement of the credit.

Section 502 (Inspections) requires the regulatory generator to provide site access to the Control Officer to conduct audits to verify compliance with the rule.

Section 503 (Truck Stop Electrification (TSE) Records) outlines the record requirements for a TSE regulatory generator and is broken into three subsections: 503.1, 503.2 and 503.3.

Section 503.1 (Inventory Records) requires the TSE regulatory generator to record the following information for each truck used to generate credits: the fleet identification number, the truck manufacturer, truck model and model year, and the date the truck was added to or removed from the inventory. In addition, this section requires the generator to identify the sources used to obtain idling speed, idling emission rate, or fuel use rate for each truck engine when used to calculate emission reduction credits. Also, this section requires, monthly, the regulatory generator review and, if necessary, update the equipment inventory.

Section 503.2 (Operational Records) requires the TSE regulatory generator to record, daily, the number of hours the idle reduction technology is used for each electrified parking space. In addition, this section requires the TSE regulatory generator to record, monthly, the number and availability of electrified truck stop spaces, any maintenance and repairs made to the idle reduction technology, and the amount of electricity consumed for each electrified truck space.

Section 503.3 (Emission Reductions Records) requires the TSE regulatory generator to calculate the amount of emission reductions generated from each electrified truck space during the preceding month using the methodology in Appendix A. In addition, the regulatory generator must calculate a rolling twelve (12) month total of emission reductions. If the TSE regulatory generator discovers the rolling 12-month total of emission reductions is less than the amount of emission reduction credits originally certified, the TSE regulatory generator is required to notify the Control Officer and the permitted source relying on the certified credits as offsets within 24-hours of the discovery.

Section 504 (Transport Refrigeration Unit (TRU) Records) outlines the record requirements for a TRU regulatory generator and is broken into three subsections: 504.1, 504.2 and 504.3.

Section 504.1 (Inventory Records) requires the TRU regulatory generator to record the following information for each electric standby equipped TRU: the fleet identification number, the TRU manufacturer, model and model year, and the date each TRU was added to or removed from the inventory. Each month, the regulatory generator must review and, if necessary, update the equipment inventory.

Section 504.2 (Operational Records) requires the TRU regulatory generator to record, daily, the number of hours, as rounded to the nearest quarter of an hour, the electric standby equipped TRU utilizes electric power. In addition, this section requires the regulatory generator to record, on a monthly basis, the date and description of repairs made to the TRU and the electric power connection as well as record the electricity consumption for each TRU.

Section 504.3 (Emission Reductions Records) requires the TRU regulatory generator to calculate the amount of emission reductions generated from each electric standby equipped TRU during the preceding month using the methodology in Appendix B. In addition, the regulatory generator must calculate a rolling twelve (12) month total of emission reductions. If the TRU regulatory generator discovers the rolling 12-month total of emission reductions is less than the amount of emission reduction credits originally certified, the regulatory generator is required to notify the Control Officer and the permitted source relying on the certified credits as offsets within 24 hours of discovery.

Section 505 (Onsite Equipment Records) outlines the record requirements for a regulatory generator that electrifies all or part of a fleet of onsite equipment and is broken into four sections: 505.1, 505.2, 505.3, and 505.4.

Section 505.1 (Electrified Fleet Inventory Records) requires the regulatory generator to provide the following information for each piece of onsite equipment used to generate credits: the equipment manufacturer, model number and model year, equipment category, equipment description, and the date each piece of equipment was added to the inventory, repowered or removed from the inventory. In addition, the regulatory generator must provide information on sources used to obtain family or test group, fuel capacities, and emission rates of each onsite equipment engine when used to calculate emission reduction credits.

Section 505.2 (Diesel and Gasoline Fleet Inventory Records) requires a detailed inventory of all fleet diesel and gasoline powered onsite equipment used for the same purpose as the electrified equipment. The regulatory generator must provide the following information for each piece of equipment: the equipment manufacturer, the model number and year, the equipment category, an equipment description, fuel type, and when each piece of equipment was added to the inventory, repowered, or removed from the inventory.

Section 505.3 (Monthly) requires the regulatory generator to review and, if necessary, update the equipment inventory each month.

Section 505.4 (Operational Records) requires the regulatory generator to record, monthly, a description of all maintenance and repairs to each piece of electrified equipment in addition to at least one of the following: hours of operation, mileage accrued, or electricity consumed. The records must demonstrate how the electrified equipment is used in the same manner as was represented in the emission reduction credit application. The regulatory generator must record similar records for each piece of conventionally fueled onsite equipment that can be used for the same purpose as the electrified equipment used to generate credits. This includes, monthly, recording all maintenance and repairs to each piece of conventionally fueled equipment in addition to at least one of the following: hours of operation, mileage accrued, or fuel consumed.

Appendix A (Calculations for Determining Emission Reductions from Each Electrified Truck Space) provides calculation methodology for the quantification of baseline emissions from each electrified truck space as well as calculation methodology for the quantification of emission reductions from each electrified truck space.

Appendix B (Calculations for Determining Emission Reductions from Each Electric Standby Equipped TRU) provides calculation methodology for the quantification of baseline emissions for each electric standby equipped TRU as well as calculation methodology for the quantification of emission reductions from each electric standby equipped TRU.

Appendix C (Calculations for Determining Emission Reductions from Each Piece of Onsite Equipment) provides the calculation methodology for the quantification of baseline emissions from each piece of onsite equipment prior to electrification as well as the calculation methodology for the quantification of emission reductions from each piece of electrified onsite equipment.

#### **1.4 Demonstration of How Emission Reductions Generated Through Truck Stop Electrification, Electric Standby Equipped Transport Refrigeration Units, and Electrified Onsite Equipment Meet the Federal Clean Air Act Requirements for NSR Offsets**

In order for emission reductions to be used as emission offsets, the emission reductions must be certified as permanent, quantifiable, surplus, enforceable, and real (offset generation integrity criteria). Below is a demonstration showing how emission reductions generated through truck stop electrification, electric standby equipped transport refrigeration units, and electrified onsite equipment and certified under Rule 204 meet the federal Clean Air Act requirements for NSR Offsets.

##### **Truck Stop Electrification**

Truck Stop Electrification (TSE) is a stationary idle reduction technology that provides electricity to power onboard truck equipment in lieu of idling the main truck engine or using onboard auxiliary power units (APUs). A regulatory generator that owns a private truck stop and uses TSE idle reduction technology to reduce long duration idling emissions may apply to certify associated ERCs. ERCs generated through TSE meet offset generation integrity criteria as demonstrated below:

#### Permanent

Section 214 defines permanent as “Reductions in qualifying emissions that are enforceable and enduring for the duration of federal major new source review obligations.” Rule 204 contains provisions to ensure reductions in qualifying emissions from TSE are enforceable and enduring for the duration of federal major new source review obligations. Provisions related to enforceability are discussed under the section titled “Enforceable.”

To ensure the reductions in qualifying emissions last the duration of federal major new source review obligations, Rule 204 contains Section 303.2.d. which states, “A regulatory generator shall maintain each electrified truck stop parking space used to generate certified credits.” By maintaining each electrified truck space used to generate certified credits, the TSE regulatory generator maintains the ability to continue to generate emission reductions and thereby generate emissions reductions that are enduring.

In order to ensure the TSE regulatory generator is maintaining each electrified truck space used to generate certified credits and thereby continuing to generate the appropriate amount of emission reductions, Rule 204 contains monitoring and recordkeeping requirements. Section 303.2 and Section 503 describe specific monitoring and recordkeeping requirements that a TSE regulatory generator must comply with to demonstrate the continued generation of emission reductions.

Section 401.1 requires further monitoring of the continued generation of emission reductions by the permitted source relying on the emission reductions as emission offsets. The permitted source must review the TSE regulatory generator records every six months and ensure the emission reductions generated by the regulatory generator equal the amount of certified credits the permitted source is using as offsets. In addition, this section requires the permitted source to submit records generated by the TSE regulatory generators to the MCAQD every six months for additional review and compliance assurance.

If the TSE regulatory generator fails to maintain each electrified truck stop parking space used to generate emission reductions and, as a result, fails to generate the appropriate amount of emission reductions, then the permitted source relying on the emission reductions must take corrective action. Section 401.3 outlines the corrective action the permitted source must take if an offset shortage is discovered. Specifically, the rule requires the permitted source to limit emissions, provide replacement offsets, or a combination of both, by submitting a permit application within ninety (90) days of discovering a shortage of emission reductions.

The permanence philosophy employed in Rule 204 is very similar to that of SIP-approved Rule 242 (Emission Offsets Generated by the Voluntary Paving of Unpaved Roads). Rule 242 requires periodic review of the integrity of the offsets by requiring



periodic evaluation of the integrity of the roads. It also requires corrective action if the integrity of the road is compromised. On page 4 of the Technical Support Document prepared by the EPA for EPA's rulemaking on Rule 242 it states: "The emission reductions (in Rule 242) are permanent because the rule requires periodic evaluation of the integrity of the road and the implementation of corrective action if the road is degraded. The rule also requires the applicant to replace offsets that are no longer valid." Like Rule 242, Rule 204 requires periodic evaluation of the integrity of the offsets and implementation of corrective action if the integrity of the offsets is compromised, including replacing offsets that are no longer valid.

### Quantifiable

Section 219 defines "quantifiable" as "With respect to emissions, including the emissions involved in equivalent emission limits and emission trades, capable of being measured or otherwise determined in terms of quantity and addressed in terms of character. Quantification may be based on emission factors, stack tests, monitored values, operating rates, and averaging times, materials used in a process or production, modeling, or other reasonable measurement practices." Rule 204 contains provisions to quantify emissions from TSE. It contains provisions for both the quantification of baseline emissions and the quantification of emission reductions.

Section 303.1.b describes the quantification of baseline emissions from each private truck stop parking space prior to the installation of stationary idle reduction technology. Section 303.1.b requires that the baseline emissions be calculated using the calculation methodology in Appendix A (Calculations for Determining Emission Reductions from Each Electrified Truck Space).

Section 303.1.c describes the quantification of the amount of emission reductions from each electrified truck space. Section 303.1.c requires that the emission reductions be calculated using the calculation methodology in Appendix A (Calculations for Determining Emission Reductions from Each Electrified Truck Space).

### Surplus

Section 222 defines "surplus" to mean, "A reduction in qualifying emissions not otherwise required by a federally applicable requirement and not relied upon in the State Implementation Plan (SIP)."

The MCAQD has verified that there are no federal or state regulations pertaining to heavy truck idling emissions. Maricopa County does have an ordinance restricting idling, but this ordinance, P-21 (Vehicle Idling Restriction), is not relied upon in the SIP.

Most private fleets comprise a mix of vehicles subject to the 2007 federal on-road truck standards, and older vehicles. Appendix A, Section A.2 defines the truck idling pollutant emissions factor as the Model Year 2007 emission rate or the most recent applicable federal truck emission standard.

Section 303.1.c(2) prohibits the use of emission reductions that were created or used under any other emissions trading program, emission reductions used to satisfy the State Implementation Plan including transportation conformity requirements, emission reductions funded by the Diesel Emissions Reduction Act, or any emission reductions pursuant to a federal consent decree, or state and local settlements. Emission reductions

from the use of mobile idle reduction technology, such as auxiliary power units (APUs) is also excluded.

### Enforceable

Section 207 defines “enforceable” as “Specific measures for assessing compliance with an emissions limitation, control, or other requirement established in a permit or in this rule in a manner that allows compliance to be readily determined by, but not limited to, an inspection of records and reports.” Rule 204 contains provisions to ensure reductions in qualifying emissions from TSE are enforceable.

There are two components to enforceability. First, there must be mechanisms to ensure generation of data showing that emission reductions promised have been generated. Second, there must be a mechanism to trigger enforcement action if the continued generation of emission reductions cannot be demonstrated.

To address the first component of enforceability, Rule 204 contains monitoring and recordkeeping requirements for TSE regulatory generators. Section 303.2 and Section 503, as discussed earlier, describe specific monitoring and recordkeeping requirements that a TSE regulatory generator must comply with to demonstrate the continued generation of emission reductions for those reductions that have been certified.

Section 401.1 requires further monitoring of the continued generation of emission reductions by the permitted source relying on the emission reductions as emission offsets. The permitted source must review the TSE regulatory generator records every six months and ensure the emission reductions generated by the regulatory generator equal the amount of certified credits the permitted source is using as offsets. In addition, this section requires the permitted source to submit records generated by the TSE regulatory generators to the MCAQD every six months for additional review and compliance assurance.

If a shortage is found to exist, Section 401.3 requires a permitted source to take corrective actions. Specifically, the rule requires the permitted source to limit emissions, provide replacement offsets, or a combination of both, by submitting a permit application within ninety (90) days of discovering a shortage of emission reductions.

To address the second component of enforceability, Rule 204 contains an enforcement provision in Section 401.3.b which states, “A permitted source that operates without adequate offsets is in violation of these rules.” If the generation of the emission reductions is less than the amount of emission reductions that were certified, and the permitted source relying on the emission reductions does not take corrective action as outlined in Section 401.3, the MCAQD will take enforcement action on the permitted source for operating without adequate offsets. The MCAQD may issue a Notice of Violation to the permitted source for violation of Rule 204 and/or for a violation of the permitted source’s Title V permit.

The enforcement philosophy employed in Rule 204 is very similar to that found in EPA’s 2001 Economic Incentive Program guidance titled “Improving Air Quality with Economic Incentive Programs”. In Chapter 6, on page 78 of the guidance it states: “Sources using traded emission reductions are the main parties EPA will hold liable for any violations of applicable emission limitations.” Under Rule 204, the permitted sources using the emission reductions are the sources the MCAQD will hold liable for violations

of the rule.

### Real

The term “real” is defined in Section 220 as “A reduction in actual emissions released to the air resulting from a physical change or change to the method of operations by a generator.” The TSE emissions have been shown to exist by being broadly documented in the emissions inventory. Section 303.1.b. describes the quantification of baseline emissions from each private truck stop parking space prior to the installation of stationary idle reduction technology. The ability to quantify baseline emissions demonstrates the emissions exist, or are real.

### **Transport Refrigeration Units (TRUs)**

Transport Refrigeration Units (TRUs) are refrigeration systems powered by an integral, internal combustion engine or onboard APUs designed to control the environment of temperature sensitive products that are stored in trucks and trailers. Due to the very hot weather in Maricopa County, TRUs are used by fleet operators to pre-cool and maintain temperatures in trailer interiors. Since this can occur while trailers are stationary, the use of TRUs represent an opportunity to reduce emissions by electrifying these operations during loading/unloading or parked at terminal and warehouse locations. Under Section 304, a regulatory generator that reduces truck and trailer TRU emissions by using electricity to power electric standby equipped TRUs may apply to certify associated ERCs. ERCs generated through electric standby equipped TRUs meet offset generation integrity criteria as demonstrated below:

### Permanent

Section 214 defines permanent as “Reductions in qualifying emissions that are enforceable and enduring for the duration of federal major new source review obligations.” Rule 204 contains provisions to ensure reductions in qualifying emissions from electric standby equipped TRUs are enforceable and enduring for the duration of federal major new source review obligations. Provisions related to enforceability are discussed under the section titled “Enforceable.”

To ensure the reductions in qualifying emissions last the duration of federal major new source review obligations, Rule 204 contains Section 304.2.a which states, “Electric standby equipped TRUs shall be operated and maintained in accordance with the manufacturer’s written instructions in order to ensure the continued generation of emission reductions.” By operating and maintaining each electric standby equipped TRU in accordance with the manufacturer’s written instructions, the TRU regulatory generator maintains the ability to continue to generate emission reductions and thereby generate emissions reductions that are enduring.

In order to ensure the TRU regulatory generator is operating and maintaining each electric standby equipped TRU used to generate certified credits and thereby continuing to generate the appropriate amount of emission reductions, Rule 204 contains monitoring and recordkeeping requirements. Section 304.2 and Section 504 describe specific monitoring and recordkeeping requirements that a TRU regulatory generator must comply with to demonstrate the continued generation of emission reductions.

Section 401.1 requires further monitoring of the continued generation of emission reductions by the permitted source relying on the emission reductions as emission

offsets. The permitted source must review the TRU regulatory generator records every six months and ensure the emission reductions generated by the regulatory generator equal the amount of certified credits the permitted source is using as offsets. In addition, this section requires the permitted source to submit records generated by the TRU regulatory generators to the MCAQD every six months for additional review and compliance assurance.

If the TRU regulatory generator fails to properly operate and maintain each electric standby equipped TRU used to generate emission reductions and, as a result, fails to generate the appropriate amount of emission reductions, then the permitted source relying on the emission reductions must take corrective action. Section 401.3 outlines the corrective action the permitted source must take if an offset shortage is discovered. Specifically, the rule requires the permitted source to limit emissions, provide replacement offsets, or a combination of both, by submitting a permit application within ninety (90) days of discovering a shortage of emission reductions.

The permanence philosophy employed in Rule 204 is very similar to that of SIP-approved Rule 242 (Emission Offsets Generated by the Voluntary Paving of Unpaved Roads). Rule 242 requires periodic review of the integrity of the offsets by requiring periodic evaluation of the integrity of the roads. It also requires corrective action if the integrity of the road is compromised. On page 4 of the Technical Support Document prepared by the EPA for EPA's rulemaking on Rule 242 it states: "The emission reductions (in Rule 242) are permanent because the rule requires periodic evaluation of the integrity of the road and the implementation of corrective action if the road is degraded. The rule also requires the applicant to replace offsets that are no longer valid." Like Rule 242, Rule 204 requires periodic evaluation of the integrity of the offsets and implementation of corrective action if the integrity of the offsets is compromised, including replacing offsets that are no longer valid.

#### Quantifiable

Section 219 defines "quantifiable" as "With respect to emissions, including the emissions involved in equivalent emission limits and emission trades, capable of being measured or otherwise determined in terms of quantity and addressed in terms of character.

Quantification may be based on emission factors, stack tests, monitored values, operating rates, and averaging times, materials used in a process or production, modeling, or other reasonable measurement practices." Rule 204 contains provisions to quantify emissions from electric standby equipped TRUs. It contains provisions for both the quantification of baseline emissions and the quantification of emission reductions.

Section 304.1.b describes the quantification of baseline emissions for each electric standby equipped TRU. Section 304.1.b requires that the baseline emissions be calculated using the calculation methodology in Appendix B (Calculations for Determining Emission Reductions from Each Electric Standby Equipped TRU).

Section 304.1.c describes the quantification of the amount of emission reductions from each electric standby equipped TRU. Section 304.1.c requires that the emission reductions be calculated using the calculation methodology in Appendix B (Calculations for Determining Emission Reductions from Each Electric Standby Equipped TRU).

#### Surplus

Section 222 defines “surplus” to mean, “A reduction in qualifying emissions not otherwise required by a federally applicable requirement and not relied upon in the State Implementation Plan (SIP).”

Manufacturers of TRU engines are required to meet federal Tier 4 non-road engine emission standards and certify that their equipment will meet the standards over the designated useful lifetimes. Thus, surplus emissions reductions are determined from the difference between the non-road engine Tier 4 standard emission rate and the zero-emission rate of the electric standby equipped TRU when operating on electricity.

Section 304.1.c(2) prohibits the use of emission reductions that were created or used under any other emissions trading program, emission reductions used to satisfy the State Implementation Plan including transportation conformity requirements, emission reductions funded by the Diesel Emissions Reduction Act, or any emission reductions pursuant to a federal consent decree, or state and local settlements.

#### Enforceable

Section 207 defines “enforceable” as “Specific measures for assessing compliance with an emissions limitation, control, or other requirement established in a permit or in this rule in a manner that allows compliance to be readily determined by, but not limited to, an inspection of records and reports.” Rule 204 contains provisions to ensure reductions in qualifying emissions from electric standby equipped TRUs are enforceable.

There are two components to enforceability. First, there must be mechanisms to ensure generation of data showing that emission reductions promised have been generated. Second, there must be a mechanism to trigger enforcement action if the continued generation of emission reductions cannot be demonstrated.

To address the first component of enforceability, Rule 204 contains monitoring and recordkeeping requirements for TRU regulatory generators. Section 304.2 and Section 504, as discussed earlier, describe specific monitoring and recordkeeping requirements that a regulatory generator must comply with to demonstrate the continued generation of emission reductions for those reductions that have been certified.

Section 401.1 requires further monitoring of the continued generation of emission reductions by the permitted source relying on the emission reductions as emission offsets. The permitted source must review the regulatory generator records every six months and ensure the emission reductions generated by the regulatory generator equal the amount of certified credits the permitted source is using as offsets. In addition, this section requires the permitted source to submit records generated by the regulatory generators to the MCAQD every six months for additional review and compliance assurance.

If a shortage is found to exist, Section 401.3 requires a permitted source to take corrective actions. Specifically, the rule requires the permitted source to limit emissions, provide replacement offsets, or a combination of both, by submitting a permit application within ninety (90) days of discovering a shortage of emission reductions.

To address the second component of enforceability, Rule 204 contains an enforcement provision in Section 401.3.b which states, “A permitted source that operates without adequate offsets is in violation of these rules.” If the generation of the emission reductions is less than the amount of emission reductions that were certified, and the

permitted source relying on the emission reductions does not take corrective action as outlined in Section 401.3, the MCAQD will take enforcement action on the permitted source for operating without adequate offsets. The MCAQD may issue a Notice of Violation to the permitted source for violation of Rule 204 and/or for a violation of the permitted source's Title V permit.

The enforcement philosophy employed in Rule 204 is very similar to that found in EPA's 2001 Economic Incentive Program guidance titled "Improving Air Quality with Economic Incentive Programs". In Chapter 6, on page 78 of the guidance it states: "Sources using traded emission reductions are the main parties EPA will hold liable for any violations of applicable emission limitations." Under Rule 204, the permitted sources using the emission reductions are the sources the MCAQD will hold liable for violations of the rule.

#### Real

The term "real" is defined in Section 220 as "A reduction in actual emissions released to the air resulting from a physical change or change to the method of operations by a generator." The TRU emissions have been shown to exist by being broadly documented in the emissions inventory. Section 304.1.b. describes the quantification of baseline emissions from each TRU prior to replacing the TRU with an electric standby equipped TRU. The ability to quantify baseline emissions demonstrates the emissions exist, or are real.

#### **Onsite Equipment**

As defined in Section 213, "onsite equipment" is "Mobile, nonroad industrial, and ground support equipment that are part of the same fleet and used at the same location such as equipment located at, but not limited to, an airport, a distribution center, or a rail yard." Under Section 305, a regulatory credit generator that owns a fleet of onsite equipment and electrifies all or part of the fleet to reduce emissions may apply to certify ERCs. ERCs generated through the electrification of onsite equipment meet offset generation integrity criteria as demonstrated below:

#### Permanent

Section 214 defines permanent as "Reductions in qualifying emissions that are enforceable and enduring for the duration of federal major new source review obligations." Rule 204 contains provisions to ensure reductions in qualifying emissions from the electrification of onsite equipment are enforceable and enduring for the duration of federal major new source review obligations. Provisions related to enforceability are discussed under the section titled "Enforceable."

To ensure the reductions in qualifying emissions last the duration of federal major new source review obligations, Rule 204 contains Section 305.2.a. which states, "Electrified onsite equipment shall be operated and maintained in accordance with the manufacturer's written instructions in order to ensure the continued generation of emission reductions." By operating and maintaining each piece of electrified onsite equipment in accordance with the manufacturer's written instructions, the onsite equipment regulatory generator maintains the ability to continue to generate emission reductions and thereby generate emissions reductions that are enduring.

In order to ensure the onsite equipment regulatory generator is operating and

maintaining each piece of electrified onsite equipment used to generate certified credits and thereby continuing to generate the appropriate amount of emission reductions, Rule 204 contains monitoring and recordkeeping requirements. Section 305.2 and Section 505 describe specific monitoring and recordkeeping requirements that an onsite equipment regulatory generator must comply with to demonstrate the continued generation of emission reductions.

Section 401.1 requires further monitoring of the continued generation of emission reductions by the permitted source relying on the emission reductions as emission offsets. The permitted source must review the onsite equipment regulatory generator records every six months and ensure the emission reductions generated by the regulatory generator equal the amount of certified credits the permitted source is using as offsets. In addition, this section requires the permitted source to submit records generated by the onsite equipment regulatory generators to the MCAQD every six months for additional review and compliance assurance.

If the onsite equipment regulatory generator fails to properly operate and maintain each piece of electrified onsite equipment used to generate emission reductions and, as a result, fails to generate the appropriate amount of emission reductions, then the permitted source relying on the emission reductions must take corrective action. Section 401.3 outlines the corrective action the permitted source must take if an offset shortage is discovered. Specifically, the rule requires the permitted source to limit emissions, provide replacement offsets, or a combination of both, by submitting a permit application within ninety (90) days of discovering a shortage of emission reductions.

The permanence philosophy employed in Rule 204 is very similar to that of SIP-approved Rule 242 (Emission Offsets Generated by the Voluntary Paving of Unpaved Roads). Rule 242 requires periodic review of the integrity of the offsets by requiring periodic evaluation of the integrity of the roads. It also requires corrective action if the integrity of the road is compromised. On page 4 of the Technical Support Document prepared by the EPA for EPA's rulemaking on Rule 242 it states: "The emission reductions (in Rule 242) are permanent because the rule requires periodic evaluation of the integrity of the road and the implementation of corrective action if the road is degraded. The rule also requires the applicant to replace offsets that are no longer valid." Like Rule 242, Rule 204 requires periodic evaluation of the integrity of the offsets and implementation of corrective action if the integrity of the offsets is compromised, including replacing offsets that are no longer valid.

#### Quantifiable

Section 219 defines "quantifiable" as "With respect to emissions, including the emissions involved in equivalent emission limits and emission trades, capable of being measured or otherwise determined in terms of quantity and addressed in terms of character.

Quantification may be based on emission factors, stack tests, monitored values, operating rates, and averaging times, materials used in a process or production, modeling, or other reasonable measurement practices." Rule 204 contains provisions to quantify emissions from onsite equipment. It contains provisions for both the quantification of baseline emissions and the quantification of emission reductions.

Section 305.1.b describes the quantification of baseline emissions from each piece of onsite equipment prior to electrification. Section 305.1.b requires that the baseline

emissions be calculated using the calculation methodology in Appendix C (Calculations for Determining Emission Reductions from Each Piece of Onsite Equipment).

Section 305.1.c describes the quantification of the amount of emission reductions from each piece of electrified onsite equipment. Section 305.1.c requires that the emission reductions be calculated using the calculation methodology in Appendix C (Calculations for Determining Emission Reductions from Each Piece of Onsite Equipment).

#### Surplus

Section 222 defines “surplus” to mean, “A reduction in qualifying emissions not otherwise required by a federally applicable requirement and not relied upon in the State Implementation Plan (SIP).”

Onsite equipment engine manufacturers must meet federal Tier 4 non-road engine emission standards and certify that their equipment will meet the standards over designated useful lifetimes. In this case, surplus emission reductions are determined from the difference between the non-road engine Tier 4 standard emission rate and the zero-emission rate of the new all-electric systems or all-electric retrofit systems being implemented.

Section 305.1.c(2) prohibits the use of emission reductions that were created or used under any other emissions trading program, emission reductions used to satisfy the State Implementation Plan including transportation conformity requirements, or any emission reductions pursuant to a federal consent decree, or state and local settlements.

#### Enforceable

Section 207 defines “enforceable” as “Specific measures for assessing compliance with an emissions limitation, control, or other requirement established in a permit or in this rule in a manner that allows compliance to be readily determined by, but not limited to, an inspection of records and reports.” Rule 204 contains provisions to ensure reductions in qualifying emissions from electrified onsite equipment are enforceable.

There are two components to enforceability. First, there must be mechanisms to ensure generation of data showing that emission reductions promised have been generated. Second, there must be a mechanism to trigger enforcement action if the continued generation of emission reductions cannot be demonstrated.

To address the first component of enforceability, Rule 204 contains monitoring and recordkeeping requirements for onsite equipment regulatory generators. Section 305.2 and Section 505, as discussed earlier, describe specific monitoring and recordkeeping requirements that an onsite equipment regulatory generator must comply with to demonstrate the continued generation of emission reductions for those reductions that have been certified.

Section 401.1 requires further monitoring of the continued generation of emission reductions by the permitted source relying on the emission reductions as emission offsets. The permitted source must review the regulatory generator records every six months and ensure the emission reductions generated by the regulatory generator equal the amount of certified credits the permitted source is using as offsets. In addition, this section requires the permitted source to submit records generated by the regulatory



generators to the MCAQD every six months for additional review and compliance assurance.

If a shortage is found to exist, Section 401.3 requires a permitted source to take corrective actions. Specifically, the rule requires the permitted source to limit emissions, provide replacement offsets, or a combination of both, by submitting a permit application within ninety (90) days of discovering a shortage of emission reductions.

To address the second component of enforceability, Rule 204 contains an enforcement provision in Section 401.3.b which states, “A permitted source that operates without adequate offsets is in violation of these rules.” If the generation of the emission reductions is less than the amount of emission reductions that were certified, and the permitted source relying on the emission reductions does not take corrective action as outlined in Section 401.3, the MCAQD will take enforcement action on the permitted source for operating without adequate offsets. The MCAQD may issue a Notice of Violation to the permitted source for violation of Rule 204 and/or for a violation of the permitted source’s Title V permit.

The enforcement philosophy employed in Rule 204 is very similar to that found in EPA’s 2001 Economic Incentive Program guidance titled “Improving Air Quality with Economic Incentive Programs”. In Chapter 6, on page 78 of the guidance it states: “Sources using traded emission reductions are the main parties EPA will hold liable for any violations of applicable emission limitations.” Under Rule 204, the permitted sources using the emission reductions are the sources the MCAQD will hold liable for violations of the rule.

#### Real

The term “real” is defined in Section 220 as “A reduction in actual emissions released to the air resulting from a physical change or change to the method of operations by a generator.” The onsite equipment emissions have been shown to exist by being broadly documented in the emissions inventory. Section 305.1.b. describes the quantification of baseline emissions from each piece of onsite equipment prior to electrification. The ability to quantify baseline emissions demonstrates the emissions exist, or are real.

## **SECTION 2: COMPLETENESS CRITERIA**

### **2.1 Administrative Materials:**

#### **2.1(a) A formal letter of submittal from the MCAQD Director or designee requesting the EPA approval of the SIP revision.**

*See* SIP submission cover letter from Philip A. McNeely, Director of the MCAQD, included above.

#### **2.1(b) Evidence that the MCAQD has adopted the SIP revision in the Maricopa County body of regulations in final form.**

The Maricopa County Board of Supervisors adopted revisions to Rule 204 on December 11, 2019.

*See* Appendix 8.

#### **2.1(c) Evidence that the MCAQD has the necessary legal authority under State law to adopt and implement the SIP revision.**

Arizona Revised Statutes (A.R.S.) §§ 49-410, 49-112, 49-471.09, 49-474, and 49-479 authorize the MCAQD to adopt and submit a rule for approval in the SIP.

*See* Appendix 10.

**2.1(d) A copy of the actual regulations, or documents submitted for approval and incorporation by reference into the SIP, including indication of the changes made to the existing approved SIP, where applicable.**

*See* Appendix 11 for a copy of the actual regulation submitted for approval and incorporation into the plan.

**2.1(e) Evidence that the MCAQD followed all of the procedural requirements of the State's laws and constitution in conducting and completing the adoption/issuance of the SIP revision.**

The MCAQD completed all of the following procedural requirements for obtaining approval of the revised rule:

- (1) Conducted Stakeholder Workshops on September 27, 2018, and July 16, 2019, to discuss the revisions to Rule 204;
- (2) Obtained approval to initiate regulatory change from the Board of Health (Minutes of the Board of Health meeting held on February 25, 2019);
- (3) Posted a Notice of Proposed Rulemaking on the Maricopa County Enhanced Regulatory Outreach Program website on August 21, 2019 and published a Notice of Availability in the newspaper (Newspaper Affidavit);
- (4) Obtained a recommendation to the Board of Supervisors from the Board of Health (Minutes of the Board of Health meeting October 28, 2019);
- (5) Provided the public at least 30 days to comment on Rule 204 and the draft SIP submittal (Board of Supervisor's Public Hearing Notice and Newspaper Affidavit);
- (6) Obtained approval of (revised) Rule 204 and approval to submit Rule 204 as a revision to the Arizona SIP from the Board of Supervisors (Certified Minutes of BOS Public Hearing on December 11, 2019); and
- (7) Posted a Notice of Final Rulemaking on the Maricopa County Enhanced Regulatory Outreach Program (EROP) website.

*See* Appendices 1, 2, 3, 4, 5, 6, 7, 8, and 9.

**2.1(f) Evidence that public notice was given of the proposed change consistent with procedures approved by the EPA, including the date of publication of such notice.**

*See* Appendix 7 for evidence that the MCAQD gave public notice of the proposed regulatory change, including the date of publication of such notice.

**2.1(g) Certification that public hearing(s) were held in accordance with the information provided in the public notice and the State's laws and constitution.**

*See* Appendices 7 and 8.

## **2.1(h) Compilation of public comments and the MCAQD's response.**

The Notice of Final Rulemaking includes public comments and MCAQD's response to each comment.

*See* Appendix 9.

## **2.2 Technical Support:**

### **2.2(a) Identification of all regulated pollutant(s) affected by the plan.**

Rule 204 implements procedures for the certification and utilization of emission reduction credits (ERCs) generated from sources emitting particulate matter, sulfur dioxide, carbon monoxide, nitrogen oxides, or volatile organic compounds.

### **2.2(b) Identification of the locations of affected sources including the EPA attainment/nonattainment designation of the locations and the status of the attainment plan for the affected area(s).**

Rule 204 is applicable to permitted (traditional) sources of ERCs and non-traditional sources of ERCs, specifically from private truck stop electrification, electric standby equipped transport refrigeration units and electrified onsite equipment, which are located within the nonattainment areas of Maricopa County.

EPA attainment/nonattainment designations for all or parts of Maricopa County are:

<u>Federal Standard</u>	<u>EPA Designation</u>
1987 PM <sub>10</sub> Standard:	Serious Nonattainment (June 10, 1996)
2008 Ozone Standard:	Moderate Nonattainment (May 4, 2016)
2015 Ozone Standard:	Marginal Nonattainment (June 4, 2018)
1971 Carbon Monoxide Standard:	Attainment (April 8, 2005)
2008 Lead Standard:	Unclassified/Attainment (December 31, 2011)
2010 Nitrogen Dioxide Standard:	Unclassified/Attainment (January 31, 2012)
2010 Sulfur Dioxide Standard:	Unclassified/Attainment (April 19, 2018)
2012 PM <sub>2.5</sub> Standard:	Unclassified/Attainment (April 15, 2015)

The status of attainment plans for Maricopa County are:

<u>Attainment Plan</u>	<u>Status</u>
2012 Five Percent Plan:	Approved (June 10, 2014)
2017 MAG Ozone Moderate Plan:	Proposed Approval (October 3, 2019)

### **2.2(c) Quantification of the changes in plan allowable emissions from the affected sources; estimates of changes in current actual emissions from affected sources or, where appropriate, quantification of changes in actual emissions from affected sources through calculations of the differences between certain baseline levels and allowable emissions anticipated as a result of the revision.**

An overall decrease in allowable emissions is anticipated as a result of this revision because of the offset requirements in the Clean Air Act. The Clean Air Act requires increased emissions from a new or modified source in a nonattainment area to be offset by an equal or greater emission reduction from other sources in the nonattainment area. In the case of an ozone moderate nonattainment area such as Maricopa County, the Clean Air Act requires the ratio of total emission reductions to

total emissions increase to be at least 1.15 to 1.0. As a result, approval of Rule 204 into the SIP will lead to an overall decrease in emissions in Maricopa County.

**2.2(d) The MCAQD's demonstration that the national ambient air quality standards, prevention of significant deterioration increments, reasonable further progress demonstration, and visibility, as applicable, are protected if the plan is approved and implemented.**

The federal Clean Air Act's New Source Review program requires the owner or operator proposing to construct a new major source or proposing to construct a major modification of an existing major source in a nonattainment area to obtain emission offsets before the proposed project may commence. In the case of an ozone moderate nonattainment area such as Maricopa County, an owner or operator proposing to construct a new major source or proposing to construct a major modification of an existing major source must obtain 1.15 tons of emission offsets for every 1.0 ton of proposed emission increases from the project. If Rule 204 is approved and implemented, the NAAQS, prevention of significant deterioration increments, reasonable further progress demonstration, and visibility will all be protected because any major source using emission reductions certified under Rule 204 will be required to ensure there is at least 1.15 tons of emission reductions for every 1.0 ton of emissions increase from the new or modified source.

**2.2(e) Modeling information required to support the proposed revision, including input data, output data, models used, justification of model selections, ambient monitoring data used, meteorological data used, justification for use of offsite data (where used), modes of models used, assumptions, and other information relevant to the determination of adequacy of the modeling analysis.**

Not Applicable.

**2.2(f) Evidence, where necessary, that emission limitations are based on continuous emission reduction technology.**

Not Applicable.

**2.2(g) Evidence that the plan contains emission limitations, work practice standards and recordkeeping/reporting requirements, where necessary, to ensure emission levels.**

Section 401 (Offset Integrity Responsibilities) addresses emission limitations for a permitted source using certified ERCs from a regulatory or plan generator. Sections 401.1 and 401.2 require the user of the certified credits to evaluate the integrity of their emission offsets by reviewing the records of the regulatory generator/plan generator who generated the certified credits. The user of the certified credits is required to review the records every six (6) months to verify that the emission reductions generated by the regulatory generator or plan generator equal the amount of certified credits the permitted source used to obtain their permit.

Section 401.3 (Offset Shortage) describes the corrective actions a permitted source must take if the source determines the regulatory generator or plan generator are generating less emission reductions than the amount of certified credits the permitted source used to obtain their permit. Upon discovery of the emission

reductions shortage, the permitted source must, within 24 hours, notify the Control Officer by phone of the shortage and, within 72 hours, submit written notification of the shortage to the Control Officer and limit operations to compensate for the shortage. Following that, the permitted source must compensate for the ongoing shortage of emission reductions by submitting a permit application within ninety (90) days to either limit emissions, provide replacement offsets, or a combination of both.

Sections 303, 304, and 305 establish work practice standards for the regulatory generators in this rule. Work practices for TSE regulatory generators are described under Section 303.2. The work practice requirements are as follows:

Section 303.2.a (Idle Reduction Technology Operation and Use) requires the owner or operator of a private truck stop to operate and maintain the idle reduction technology in accordance with the manufacturer's written instructions to ensure the equipment is operated and maintained properly. In addition, subsections of this section prohibit the use of the truck's engine while using the idle reduction technology and require the truck to be properly modified, if necessary, in accordance with the manufacturer's written instructions to allow for the use of the technology.

Section 303.2.b (Emission Reduction Monitoring) requires the use of tamper-proof TSE-based dataloggers and electricity flow meters to record the time the truck is plugged into the electricity and the amount of electricity consumed during that time. In addition, this section requires all monitoring equipment be operated and maintained in accordance with the manufacturer's written instructions to ensure the equipment is operated and maintained properly.

Work practices for TRU regulatory generators are described under Section 304.2. The work practice requirements are as follows:

Section 304.2.a (Electric Standby Equipped TRU Operation and Maintenance) requires the owner or operator of an electric standby equipped TRU to operate and maintain the TRU in accordance with manufacturer's written instructions to ensure the TRU is operated and maintained properly and to ensure the continued generation of emission reductions.

Section 304.2.b (Emission Reduction Monitoring) requires the use of tamper-proof data acquisition systems installed on each TRU to quantify the electric standby operation and the associated electricity consumption. In addition, this section requires all monitoring equipment be operated and maintained in accordance with the manufacturer's written instructions to ensure the equipment is operated and maintained properly.

Work practices for onsite equipment regulatory generators are described under Section 305.2. The work practice requirements are as follows:

Section 305.2.a (Electrified Onsite Equipment Operation and Maintenance) requires the owner or operator of an electrified fleet of onsite equipment to operate and maintain the equipment in accordance with the manufacturer's written instructions to ensure the equipment is operated and maintained properly and to ensure the continued generation of emission reductions.

Section 305.2.b (Monitoring of Equipment Use) requires the regulatory generator to monitor the use of electrified equipment and all diesel and gasoline powered equipment used for the same purpose as the electrified equipment to verify the electrified equipment is operated in the same manner as was represented in the emission reduction credit application. In addition, this section requires all monitoring equipment be operated and maintained in accordance with the manufacturer's written instructions to ensure the equipment is operated and maintained properly.

Section 305.2.c allows the regulatory generator to convert or "repower" the diesel or gasoline powered equipment to electric power if two conditions are met. First, the repowering must be permanent, meaning the equipment can never be repowered back to conventional fuel. Second, the repowered equipment can only operate using electrical power.

Section 305.2.d (Removal/Disposal of Replaced Equipment) requires the removal from the nonattainment area of any piece of diesel or gasoline powered onsite equipment that has been replaced with an electrified unit. If the replaced equipment is not removed from the nonattainment area, the replaced equipment must be permanently disabled and disposed of in a manner that complies with all applicable local, state, and federal laws. To verify compliance with this requirement, the rule requires the regulatory generator to provide evidence of proper disposal, upon request, to either the Control Officer or the permitting source using the ERCs as offsets.

Recordkeeping and reporting requirements for the regulatory generator are located in Sections 503, 504, and 505. Recordkeeping and reporting requirements for TSE regulatory generators are described under Section 503. Section 503 is broken into three subsections as described below:

Section 503.1 (Inventory Records) requires the TSE regulatory generator to record the following information for each truck used to generate credits: the fleet identification number, the truck manufacturer, truck model and model year, and the date the truck was added to or removed from the inventory. In addition, this section requires the generator to identify the sources used to obtain idling speed, idling emission rate, or fuel use rate for each truck engine when used to calculate emission reduction credits. Also, this section requires, monthly, the regulatory generator review and, if necessary, update the equipment inventory.

Section 503.2 (Operational Records) requires the TSE regulatory generator to record, daily, the number of hours the idle reduction technology is used for each electrified parking space. In addition, this section requires the TSE regulatory generator to record, monthly, the number and availability of electrified truck stop spaces, any maintenance and repairs made to the idle reduction technology, and the amount of electricity consumed for each electrified truck space.

Section 503.3 (Emission Reductions Records) requires the TSE regulatory generator to calculate the amount of emission reductions generated from each electrified truck space during the preceding month using the

methodology in Appendix A. In addition, the regulatory generator must calculate a rolling twelve (12) month total of emission reductions. If the TSE regulatory generator discovers the rolling 12-month total of emission reductions is less than the amount of emission reduction credits originally certified, the TSE regulatory generator is required to notify the Control Officer and the permitted source relying on the certified credits as offsets within 24-hours of the discovery.

Recordkeeping and reporting requirements for TRU regulatory generators are described under Section 504. Section 504 is broken into three subsections as described below:

Section 504.1 (Inventory Records) requires the TRU regulatory generator to record the following information for each electric standby equipped TRU: the fleet identification number, the TRU manufacturer, model and model year, and the date each TRU was added to or removed from the inventory. Each month, the regulatory generator must review and, if necessary, update the equipment inventory.

Section 504.2 (Operational Records) requires the TRU regulatory generator to record, daily, the number of hours, as rounded to the nearest quarter of an hour, the electric standby equipped TRU utilizes electric power. In addition, this section requires the regulatory generator to record, on a monthly basis, the date and description of repairs made to the TRU and the electric power connection as well as record the electricity consumption for each TRU.

Section 504.3 (Emission Reductions Records) requires the TRU regulatory generator to calculate the amount of emission reductions generated from each electric standby equipped TRU during the preceding month using the methodology in Appendix B. In addition, the regulatory generator must calculate a rolling twelve (12) month total of emission reductions. If the TRU regulatory generator discovers the rolling 12-month total of emission reductions is less than the amount of emission reduction credits originally certified, the regulatory generator is required to notify the Control Officer and the permitted source relying on the certified credits as offsets within 24 hours of discovery.

Recordkeeping and reporting requirements for onsite equipment regulatory generators are described under Section 505. Section 505 is broken into four subsections as described below:

Section 505.1 (Electrified Fleet Inventory Records) requires the regulatory generator to provide the following information for each piece of onsite equipment used to generate credits: the equipment manufacturer, model number and model year, equipment category, equipment description, and the date each piece of equipment was added to the inventory, repowered or removed from the inventory. In addition, the regulatory generator must provide information on sources used to obtain family or test group, fuel capacities, and emission rates of each onsite equipment engine when used to calculate emission reduction credits.

Section 505.2 (Diesel and Gasoline Fleet Inventory Records) requires a detailed inventory of all fleet diesel and gasoline powered onsite equipment used for the same purpose as the electrified equipment. The regulatory generator must provide the following information for each piece of equipment: the equipment manufacturer, the model number and year, the equipment category, an equipment description, fuel type, and when each piece of equipment was added to the inventory, repowered, or removed from the inventory.

Section 505.3 (Monthly) requires the regulatory generator to review and, if necessary, update the equipment inventory each month.

Section 505.4 (Operational Records) requires the regulatory generator to record, monthly, a description of all maintenance and repairs to each piece of electrified equipment in addition to at least one of the following: hours of operation, mileage accrued, or electricity consumed. The records must demonstrate how the electrified equipment is used in the same manner as was represented in the emission reduction credit application. The regulatory generator must record similar records, monthly, for each piece of conventionally fueled onsite equipment that can be used for the same purpose as the electrified equipment used to generate credits. This includes recording all maintenance and repairs to each piece of conventionally fueled equipment in addition to at least one of the following: hours of operation, mileage accrued, or fuel consumed.

**2.2(h) Compliance/enforcement strategies, including how compliance will be determined in practice.**

Section 401 (Offset Integrity Responsibilities) requires the user of the certified credits to evaluate the integrity of the credits every six (6) months to verify that the emission reductions generated by the regulatory generator or the plan generator equal the amount of certified credits used as offsets for the permitted source. These records are to be included in the permitted source's semi-annual report submitted to the MCAQD. The MCAQD will review the regulatory or plan generator records to evaluate the integrity of the certified credits. If MCAQD determines the emission reductions generated by the regulatory generator or plan generator do not equal the amount of certified credits used as offsets by the permitted source, and the permitted source has not taken corrective action as outlined in Section 401.3, then the MCAQD will issue a Notice of Violation to the permitted source for operating without adequate offsets.

If the permitted source does not provide the required records to the MCAQD in the permitted source's semi-annual report, the MCAQD can request the records directly from the regulatory generator pursuant to Section 501.2.

**2.2(i) Special economic and technological justifications required by any applicable EPA policies, or an explanation of why such justifications are not necessary.**

Not applicable.



**REVISION TO THE ARIZONA STATE IMPLEMENTATION PLAN (SIP)**

**RULE 204 OF THE MCAPCR**

**APPENDIX 1:  
NOTICES OF STAKEHOLDER WORKSHOPS**



## MARICOPA COUNTY AIR QUALITY DEPARTMENT NOTICE OF STAKEHOLDER WORKSHOP

**Date and Time:** Thursday, September 27, 2018, 1:00 p.m.  
**Location:** 1001 N. Central Avenue, Phoenix, Arizona  
Floor 5 Classroom

The Maricopa County Air Quality Department (MCAQD) will host a Stakeholder Workshop to introduce, discuss, and obtain preliminary input regarding proposed revisions to Rule 204 (Emission Reduction Credits for Use with the Arizona Emissions Bank). The proposed revisions will allow for the generation and certification of emission reduction credits from nontraditional sources. The revisions will also align the rule with legislative amendments to the emissions bank statute. The draft rule is attached to this announcement.

Written comments regarding the draft rule may be submitted through the EROP website at:  
<http://www.maricopa.gov/FormCenter/Regulatory-Outreach-17/Citizen-CommentsComplaints-94>.

If you would like to remotely attend this workshop, please follow these instructions:

For Go-To meeting “Maricopa County Air Quality Department Stakeholder Workshop”

Please join my meeting from your computer, tablet or smartphone.

<https://global.gotomeeting.com/join/626800277>

You can also dial in using your phone.

United States: +1 (571) 317-3122

**Access Code:** 626-800-277

First GoToMeeting? Try a test session: <https://link.gotomeeting.com/system-check>

**Background:** The MCAQD adopted Rule 204 on May 7, 2003 to certify emission reduction credits for use as offsets within the nonattainment area in Maricopa County. Currently, the rule only allows the certification and utilization of emission reduction credits from permitted sources. Insufficient emissions reduction credits exist in the Arizona Emissions Bank to permit large, new, or expanded projects. Therefore, allowing the certification and utilization of emission reduction credits from nontraditional sources will potentially allow Maricopa County to move towards attainment of the NAAQS while still allowing industrial growth.

**Next Steps:** Following the Stakeholder Workshop, the MCAQD will go before the Maricopa County Board of Health on Monday, October 22, 2018, to initiate regulatory change.

MCAQD will take reasonable measures to provide access to department services to individuals with limited ability to speak, write, or understand English and/or to those with disabilities. Requests for language interpretation services or for disability accommodations must be made at least 48 hours in advance by contacting: (602) 506-6443.

MCAQD tomará medidas razonables para proveer acceso a los servicios del departamento para personas con capacidad limitada para hablar, escribir o entender Inglés y / o para las personas con discapacidad. Las solicitudes de servicios de interpretación del lenguaje o de alojamiento de discapacidad deben hacerse por lo menos 48 horas de antelación poniéndose en contacto con: (602) 506-6443.



## MARICOPA COUNTY AIR QUALITY DEPARTMENT NOTICE OF STAKEHOLDER WORKSHOP

**Date and Time:** Tuesday, July 16, 2019, 1:00 pm  
**Location:** 3800 N. Central Avenue, Phoenix, Arizona  
Floor 17 Conference Room 1

The Maricopa County Air Quality Department (MCAQD) will host a second Stakeholder Workshop to discuss and obtain input regarding proposed revisions to Rule 204 (Emission Reduction Credits for Use with the Arizona Emissions Bank). The MCAQD is proposing to revise Rule 204 to allow for the generation, certification, and utilization of emission reduction credits from nontraditional sources and to align the rule with recent revisions to the Arizona Department of Environmental Quality's (ADEQ) Emissions Bank rule. The draft rule is attached to this notice.

Written comments regarding the draft rule may be submitted through the EROP website at: <http://www.maricopa.gov/FormCenter/Regulatory-Outreach-17/Citizen-Comments-94>.

**Comments received prior to August 1, 2019 will be considered before the next version of the draft rule is posted to the EROP website.**

If you would like to remotely attend this workshop, please follow these instructions:

### **Stakeholder Workshop - Rule 204 (Emission Reduction Credits for Use with the Arizona Emissions Bank)**

Tue, Jul 16, 2019 1:00 PM MST

**Please join the meeting from your computer, tablet or smartphone.**

<https://global.gotomeeting.com/join/539600117>

**You can also dial in using your phone.**

United States: [+1 \(786\) 535-3211](tel:+17865353211)

**Access Code: 539-600-117**

New to GoToMeeting? Get the app now and be ready when your first meeting starts:

<https://global.gotomeeting.com/install/539600117>

**Background:** Rule 204 allows for the certification and utilization of emission reduction credits from permitted sources emitting particulate matter, sulfur dioxide, carbon monoxide, nitrogen oxides, or volatile organic compounds. Certified credits may be deposited into the Arizona Emissions Bank until they are sold, used, or retired. The ADEQ administers the Arizona Emissions Bank, as specified in Arizona Revised Statutes (A.R.S.) § 49-410 and Arizona Administrative Code (A.A.C.) Title 18, Chapter 2, Article 12. In 2017, the Arizona State Legislature amended A.R.S. § 49-410 to allow for the generation of emission reduction credits from nontraditional sources. ADEQ followed with a revision to the A.A.C. on June 14, 2019 (25 A.A.R. 1433).

The MCAQD is proposing to revise Rule 204 to include provisions for the generation, certification, and utilization of emission reduction credits from nontraditional sources that use truck stop electrification, electric standby equipped transport refrigeration units, or electric onsite equipment to generate emission reduction credits. Insufficient emission reduction credits exist in the Arizona

Emissions Bank to permit large, new, or expanded projects; therefore, allowing the generation of emission reduction credits from nontraditional sources will potentially allow Maricopa County to move towards attainment of the national ambient air quality standards while still allowing for industrial growth. The MCAQD is also proposing to revise Rule 204 to align with the recent revisions to the ADEQ Emissions Bank rule.

The MCAQD held the first stakeholder workshop for Rule 204 on September 27, 2018. The Maricopa County Board of Health approved the MCAQD to initiate regulatory change on February 25, 2019. Since the first stakeholder workshop, the MCAQD has received comments from stakeholders, internal staff and the EPA and has made significant revisions to the draft rule.

In general, revisions made to draft Rule 204 since the September workshop include:

- Section 100 (General): Revised the purpose and applicability subsections.
- Section 200 (Definitions): Added four definitions (Baseline Emissions, Electric Standby Equipped TRU, Generator, and Plan Generator), revised several definitions, and removed several definitions.
- Section 300 (Standards): Reorganized the entire section to provide separate subsections describing the application, certification, registration, and utilization requirements for emission reduction credits generated by permitted and regulatory generators.
- Section 400 (Administrative Requirements): Added subsection 401 (Offset Integrity Responsibilities) to describe the offset integrity responsibilities of a permitted source using certified credits from a plan generator or a regulatory generator including actions that must be taken if an offset shortage occurs.
- Section 500 (Monitoring and Records): Added additional recordkeeping requirements and revised for clarity.
- Appendices A, B and C: Revised to include more details about the calculations used to determine emission reductions for each of the regulatory generator activities in the rule.

**Next Steps:** Following the Stakeholder Workshop, the MCAQD anticipates preparing a notice of proposed rulemaking to be posted to EROP. The MCAQD will continue to follow the EROP Policy and workflow.

MCAQD will take reasonable measures to provide access to department services to individuals with limited ability to speak, write, or understand English and/or to those with disabilities. Requests for language interpretation services or for disability accommodations must be made at least 48 hours in advance by contacting: (602) 506-6443.

MCAQD tomará medidas razonables para proveer acceso a los servicios del departamento para personas con capacidad limitada para hablar, escribir o entender Inglés y / o para las personas con discapacidad. Las solicitudes de servicios de interpretación del lenguaje o de alojamiento de discapacidad deben hacerse por lo menos 48 horas de antelación poniéndose en contacto con: (602) 506-6443.

**REVISION TO THE ARIZONA STATE IMPLEMENTATION PLAN (SIP)**

**RULE 204 OF THE MCAPCR**

**APPENDIX 2:  
NOTICE OF BOARD OF HEALTH MEETING TO INITIATE REGULATORY  
CHANGE**



**Enhanced Regulatory Outreach Program  
Maricopa County Air Quality Department**

**Notice of Board of Health Meeting**

**Date/Time: Monday, February 25, 2019 at 1:30 p.m.  
Location: Board of Supervisors' Conference Room, 10<sup>th</sup> Floor  
301 W. Jefferson Street, Phoenix, Arizona 85003**

---

The Maricopa County Board of Health will host a public meeting to review the proposed revisions to Maricopa County Air Pollution Control Regulation II – Rule 204 (Emission Reduction Credits for Use with the Arizona Emissions Bank). The draft rule and report to the Board of Health are attached to this notice. After reviewing the proposed rule revisions, the Board of Health will vote on approval of the initiation of regulatory change for Rule 204.

You may comment on the proposed rule at: <http://www.maricopa.gov/FormCenter/Regulatory-Outreach-17/Citizen-Comments-94>.

**AQ-2017-011-Rule 204 Emission Reduction Credits for Use with the Arizona Emissions Bank**

The Maricopa County Air Quality Department (MCAQD) is proposing to revise Rule 204 to add provisions for nontraditional sources of emission reduction credits. Currently, the rule only allows for the generation, certification and utilization of emission reduction credits from permitted sources. Proposed revisions include new provisions for the generation, certification, and utilization of emission reduction credits from nontraditional sources that use truck stop electrification, electric standby equipped transport refrigeration units, and electric onsite equipment. Revising the rule will provide additional sources of emission reduction credits that will allow Maricopa County to move towards attainment of the National Ambient Air Quality Standards while still allowing industrial growth.

MCAQD will take reasonable measures to provide access to department services to individuals with limited ability to speak, write, or understand English and/or to those with disabilities. Requests for language interpretation services or for disability accommodations must be made at least 48 hours in advance by contacting: (602) 506-6443.

MCAQD tomará medidas razonables para proveer acceso a los servicios del departamento para personas con capacidad limitada para hablar, escribir o entender Inglés y / o para las personas con discapacidad. Las solicitudes de servicios de interpretación del lenguaje o de alojamiento de discapacidad deben hacerse por lo menos 48 horas de antelación poniéndose en contacto con: (602) 506-6443.

**REVISION TO THE ARIZONA STATE IMPLEMENTATION PLAN (SIP)**

**RULE 204 OF THE MCAPCR**

**APPENDIX 3:  
BOARD OF HEALTH APPROVAL TO INITIATE REGULATORY CHANGE**

## MARICOPA COUNTY BOARD OF HEALTH MEETING MINUTES

Monday, February 25, 2019 at 1:00 pm  
301 W. Jefferson Street, 10<sup>th</sup> Floor, Phoenix, Arizona 85003  
Board of Supervisors Conference Room

President Hughes called the meeting to order at 1:02 p.m.

### ROLL CALL:

#### Members Present:

Don Cassano  
Henri Courmand (via phone)  
Robert MacMillan  
Andrew Rascón  
Nedra Halley  
Don Hughes  
Debra Baldauff  
Bill Gates

#### Members Not Present:

Kristen Acton

Ex-Officio: Max Porter

### CALL TO THE PUBLIC:

President Hughes announced that we have speaker slips for anyone wishing to speak on any action items. Speakers will be called after the item is heard. Each speaker will have 2 minutes to speak.

No speaker slips were received.

President Hughes introduced our newest member to the Board of Health. Mr. Andrew Rascón, District 5 Board of Supervisor Appointment. Mr. Rascón works for Southwest Center for HIV/AIDS and runs his own non-profit as well. Welcome and congratulations Mr. Rascón on your appointment as our newest member.

### DISCUSSION/ACTION ITEMS

**1. Approval of Minutes:** President Hughes asked for a motion to approve the BOH finance committee minutes from the BOH Meeting held on July 23, 2018. Motion was made by Mr. MacMillan to approve the BOH finance committee minutes as presented. Motion was seconded by Mr. Cassano and all were in favor. The motion passed unanimously.

**Approval of Minutes:** President Hughes asked for a motion to approve the BOH minutes from the BOH Meeting held on July 23, 2018. Motion was made by Mr. Cassano to approve the BOH minutes as presented. Motion was seconded by Ms. Halley and all were in favor. The motion passed unanimously.

#### **2. Approval of FY20 OMB budget request**

**Mr. Scot Pitcairn**

Mr. Scot Pitcairn presented Department of Public Health's budget request for FY2020.

For Fiscal Year 2020 Public Health Department's total base budget request for this year is \$58,150,751, a decrease of 6.2% from the FY19 Revised budget. *This consists of no increase to the General Fund budget, this fund remaining flat and on target, a 9.8% decrease in the Grant Fund budget, and 1% increase in the Special Revenue Fund budget.*



A summary of our base budget request is as follows:

General Fund	\$ 12,868,622
Grants Fund	36,271,166
Special Revenue (Fee) Fund	9,010,963
TOTAL	\$ 58,150,751

## **Operating Budget**

### **General Fund**

The general fund request is shown at target baseline level. No increases are being requested at this time. This is not intended to imply that all service levels are being adequately met. In order to remain at baseline targets we have budgeted 100% vacancy savings for one division administrator position and our PIO position and have eliminated one program coordinator position.

### **Fee Fund**

The Fee Fund operating budget is submitted \$322,248 below the FY19 Revised budget, reflecting a reduction in the Childhood Immunization budget that keeps expenditures within anticipated revenues. (This budget will be supplemented by non-recurring funding).

### **Grant Fund**

The decrease of \$4,159,112 in the Grant Fund results from the loss and reduction in several grants, including cuts to WIC, moving the Ryan White Dental Program to the Ryan White Office, reductions to Healthy Start, and various other grant losses or reductions.

## **Non-Recurring Budget**

### **General Fund**

The \$237,775 in one-time funding in the FY19 budget for the replacement X-Ray equipment at our TB Clinic was removed from the FY20 budget.

### **Grant Fund**

For FY20 the grant carryover/non-recurring budget is \$500,000, an increase of \$215,000 over the FY19 budget. This increase reflects additional carry forward from the Smoke Free Grant and the HPHC (Healthy People Healthy Communities) integrated IGA grants.

### **Fee Fund**

Following the model used last budget year, we have budgeted funds from our fee fund balance, increasing it from \$593,300 in the current year to \$1,000,000 in FY20. Of this amount, \$200,000 is budgeted for our policy group. This group will use these funds for childhood vaccination advocacy and in addressing the opioid epidemic in our county. In addition, Vital Registration is budgeted \$125,000 for expanding the east valley office. The Refugee Medical Assistance Program is budgeted to use \$125,000 since they have run short in funding as a result of the current administration reducing the number of refugees admitted to the country. The remaining \$550,000 is being allocated to address needs in the STD Control program, Childhood Immunization and other mandated areas.

## **CSCA and ISF**

Last year we requested a review above baseline from the Board of Supervisors due to large deficiencies in our funding. We are not requesting a review this year but there is a funding gap that the Budget Office and county management are aware of due to the CSCA and ISF charges placed on the Department. Last year in order to balance our budget, \$913,296 was used from our Fee Fund balance and \$547,457 was designated from non-departmental funds in the event our indirect collections were insufficient to cover expenses.

Due to two factors, first the reduction of grant receipts and second the increase over the last several years in CSCA and Internal Service Charges, our indirect collections are not sufficient to cover our administrative costs, ISF charges and CSCA

charges combined. Over the past ten years we have internally reduced our administrative staff by 10 positions, saving over \$850,000. However, these reductions have increased the workload on existing staff to the point that we cannot reduce internally further and still function properly. Our rent is a sizable part of our internal charges but we cannot reduce that amount unless we are allowed to purchase a facility. Our current lease runs through 2023 and we are not certain whether we will be able to legally get out of the lease obligation before the lease expires. This shortfall is projected in our budget at \$685,549. The solution to fill this gap is left open for further discussion before our budget recommendation is finalized.

For this current fiscal year's budget, the County Budget Office obligated \$547,457 for this projected shortfall. We have held positions and generated vacancy savings with our director's position to help reduce the use of this commitment, but those options will probably not exist in the next budget cycle. We also could tap further into our fee fund balance. Regardless of the solution for this problem, both of these options are only a Band-Aid and will not solve the problem of uncontrolled escalations of CSCA and ISF charges being pushed into limited grant funds. Further increases in our indirect rates will only further decrease the delivery of services for mandated and other services that public health is expected to provide to our community. Therefore, a more viable, longer-term solution needs to be researched.

We should also note with this budget submission that the base-level operating budget is likely unable to handle an outbreak or emergency should one occur. The two items we see as likely are: 1) measles epidemiology responses and; 2) the treatment of MDR or XDR Tuberculosis cases.

During this last year our community, along with large parts of the world, have dropped below the required vaccination rates in our schools to accomplish the herd immunity effect for disease prevention of vaccine preventable diseases. The most contagious of these is Measles. Measles outbreaks have occurred throughout Europe and other parts of the world and have occurred in 26 states during 2018. Europe has been fighting this previously contained disease spread for over a year. During last year, with a 93% vaccination rate (we are just under 95%) European nations had 64,000 cases of the disease. The main cost of our response will be in the epidemiological tracking of the outbreak; the cost of these can range from \$50,000 to hundreds of thousands of dollars. This is why we have been so active in the work with the state to decrease the personal exemptions being given out to parents who do not vaccinate their children with the school-required immunizations. While the financial costs of these outbreaks are staggering, the risk of blindness, hearing impairment, pneumonia and death (1-2 deaths out of every 1,000 cases) can have drastic consequences for children and families.

The second concern is one that we have seen during the last few budget years but the frequency seems to be escalating. This is the occurrence of multi-drug resistant (MDR) and extreme drug resistant (XDR) Tuberculosis (TB). This strain of TB is immune to the normal cost-effective drugs that we use to treat standard cases and requires two other types of drugs that are extremely expensive. A single case can easily cost between \$100,000 and \$150,000 over the course of their 18-month to 24-month treatment, and this does not include any surgically required responses. Non-compliant patients also incur court costs and isolation costs. We cannot predict the number of cases we will have, but if they do occur we will need to request additional funds as we have in the past.

SUMMARY OF PUBLIC HEALTH'S FY 2019/2020 BUDGET REQUEST  
FOR BOARD OF HEALTH MEETING - FEB 25, 2019

	FY 19 Revised Budget	FY 20 Budget Request	Variance \$	Variance %	Notes
<b>Fund 100 - General Fund</b>					
Recurring - MCBO Baseline for FY20	\$ 12,868,622	\$ 12,868,622	\$ -	0.0%	Level funding
Non-Recurring	\$ 237,775	\$ -	\$ (237,775)	-100.0%	Removal of funding to replace X-ray equipment
Combined Total	\$ 13,106,397	\$ 12,868,622	\$ (237,775)	-1.8%	
<b>Fund 265 - Special Revenue (Fee) Fund</b>					
Recurring	\$ 8,333,211	\$ 8,333,211	\$ -	0.0%	
Immunization Funding Structural Balancing	\$ -	\$ (322,248)	\$ (322,248)		To bring Immunizations expenses in line with revenues
	\$ 8,333,211	\$ 8,010,963	\$ (322,248)	-3.9%	
Non-Recurring:					
Office of Vital Registration	\$ 125,000	\$ 125,000	\$ -	0.0%	For one-time improvements at locations
Refugee Program	\$ 125,000	\$ 125,000	\$ -	0.0%	To cover revenue shortfall due to client reductions
Policy Program Funding	\$ 343,300	\$ 200,000	\$ (143,300)	-41.7%	For FY20, focus on child vaccination and opioid epidemic
To Supplement Mandated Programs	\$ -	\$ 550,000	\$ 550,000		To supplement General Funds for mandates
	\$ 593,300	\$ 1,000,000	\$ 406,700	68.5%	
Combined Fund 265 Total	\$ 8,926,511	\$ 9,010,963	\$ 84,452	0.9%	
<b>Fund 532 - Grant Fund</b>					
Recurring Funding	\$ 39,930,278	1/ \$ 35,771,166	2/ \$ (4,159,112)	-10.4%	3/ See below for grant reductions and terminations
Non-Recurring (carryover/grant fund balances)	\$ 285,000	\$ 500,000	4/ \$ 215,000	75.4%	See below for sources of grant carryover funding
Combined Fund 532 Total	\$ 40,215,278	\$ 36,271,166	\$ (3,944,112)	-9.8%	

Notes: 1/ FY19 budget includes \$547,457 of Non-Departmental support for Grant indirect shortfall.

2/ FY20 budget includes \$685,549 for Grant indirect shortfall (to be resolved).

3/ Grants reduced or terminated/additional grants from FY19 to FY20:

- Ryan White Dental Insurance	\$ (2,286,112)	(taken over by Ryan White Program department)
- Healthy Start	\$ (801,457)	(approx half of total Healthy Start grant funding)
- WIC Grant	\$ (441,542)	(operating grant reduction, infrastructure reduction)
- PHEP Opioid Grant	\$ 119,094	(one year grant)
- Prescription Drug Abuse Prev'n	\$ (63,803)	(end of contract period - not renewed)
- Homeless Program Income	\$ (206,627)	(final expenditures of AHCCCS collections for terminated HCH grant)
- Dental Sealant grant	\$ (141,434)	(net adjustment from FTF increase, ADHS decrease)
- Non-Departmental subsidy	\$ (547,457)	(approved for FY19, awaiting negotiation for FY20)
- Indirect Shortfall	\$ 238,182	(projected shortfall for FY20 projected less than FY19)
- Other net grant changes	\$ (27,956)	
	\$ (4,159,112)	

4/ Grant carryover funding from Healthy People/Healthy Communities and Smoke Free Compliance grants

**Motion to approve the FY20 OMB budget request for Public Health was made by Ms. Halley, seconded by Mr. Cassano and all were in favor. The motion passed unanimously**

### 3. Approval of FY20 OMB budget request

**Mr. Gus Martinez**

Mr. Gus Martinez presented Department of Environmental Services' budget request for FY2020.

#### **FUND 100 (County General Fund)**

Requested budget for Fund 100 operating is \$247,221 in revenues and \$9,459,591 in expenditures.

#### **Revenues**

Agency 880 is funded by the County General Fund subsidy. Environmental Services collects enforcement revenue from non-permitted activities. These fines are associated with violations of the Environmental Health Code by persons and organizations not subject to obtaining a permit. Requested budgeted revenues remain at \$247,221 with no change between FY2019 adopted and FY2020 requested.

In FY2019 Environmental Services acquired the waste resources department which is tasked with operating the counties six transfer stations. These transfer stations collect approximately 220K in transfer station fees annually.

## **Expenditures**

Environmental Services General Fund Agency recommended operating budget expenditures are \$9,459,591 or **.73%** increase from FY19 adopted.

Requested budget includes a slight increase in the amount of supplies and services by **2%** or **\$103,140** for increased costs in equipment repairs.

## **Non-Reoccurring Expenditures**

The Departments recommended budget includes non-reoccurring expenses in Fund 100 in the amount of \$100,003 for the following:

- IT Recommendations – \$100,003

## **FUND 505 (County Grant Fund)**

Requested budget for Fund 505 operating is \$67,198 in revenues and \$67,198 in expenditures.

## **Grant Funds**

Agency 881 is a grant from the Food and Drug Administration Department of Health and Human Services. Environmental Services was awarded the grant on September 10, 2015 in the amount of \$67,198 for FY2020. The grant was approved by the Board of Supervisors on October 21, 2015. The purpose of the grant is to advance conformance with the voluntary national retail food regulatory program standards. The purpose of the grant is to advance conformance with the voluntary national retail food regulatory program standards. This grant will serve in assessing foodborne illness risk factors in Maricopa County and also provide permitted food operations with educational strategies to reduce the occurrence of foodborne illness risk factors. In Year 2, Environmental Services is providing education to all Environmental Health staff for implementing Active Managerial Control (AMC) principles during their inspections and train the operators to do the same (Train the Trainer). This training is based on the results of the survey conducted in Year 1. Also, MCESD will develop an AMC Toolbox, consisting of guidance documents, templates, logs, videos, and handouts on policies, training, and verification. These materials will emphasize the shift to a population that learns through the oral and visual delivery of information. Access to these materials will be streamlined via inspection reports, website design, and other mobile platforms. AMC will be further incentivized by increasing public awareness of the Department's voluntary AMC program: the "Cutting Edge Food Safety Partnership." Our Department will develop media to showcase Cutting Edge Program participants.

## **Revenues**

Revenues remain unchanged from FY2019 to FY2020 requested and are mandated by the terms of the grant.

## **Expenditures**

Expenditures remain unchanged from FY2019 to FY2020 recommended and are mandated by the terms of the grant.

## **FUND 290 (Waste Tire Fund)**

Requested budget for Fund 290 operating are \$5,825,000 in revenues and \$5,825,000 in expenditures.

## **Revenues**

Revenues are received from the State of Arizona to fully cover the expenses to the county. These fees are not directly collected by the county; they are collected through the purchase of a tire.

## **Expenditures**

The Tire Fund expense budget has increased **14.97%** from FY2019 to FY2020 to accommodate the increase tires received at the tire recycling facility. Year over year, the fund has seen increased costs based on the number of registered vehicles in Maricopa County.

## **FUND 506 (Environmental Fee Fund)**

Requested budget for Fund 506 operating are \$21,012,670 in revenues and \$21,001,478 in expenditures.

## Revenues

Requested budgeted revenues for Fund 506 are \$21,012,670 or **\$540,701 (3%)** above FY2019 adopted.

Pool, food permitting, and environmental plan review are all experiencing a higher than average permit and plan review submittals resulting in above budgeted revenue. This is primarily due to an uptick in construction projects as the economy improves.

As plan review in both the Water and Waste and Environmental Health division's continue to rise, so do the number of permits being added. Environmental Services expects these trends to continue through FY2020.

## Expenditures

Requested budgeted expenses at **\$21,001,478** or **\$599,204 (2.85%)** above FY19 adopted. Requested budget includes overall increase in personnel services by **\$348,968** or 2% with reductions to personal savings to accommodate the increased workloads. Supplies and services have been increased by **\$250,236** due to an increase in central services cost allocations.

## Non-Reoccurring Expenditures

The Departments recommended budget includes non-reoccurring expenses in Fund 506 in the amount of \$2,117,426 for the following:

- Vehicles - \$750,000
- Overtime – \$125,000
- Rent – \$93,954
- Contracting Services - \$350,000
- IT Recommendations – \$798,472

**Motion to approve the FY20 OMB budget request for Environment Health was made by Mr. MacMillan, seconded by Mr. Cassano and all were in favor. The motion passed unanimously**

## 4. Fee Waiver Applications

**Ms. Jeannie Taylor**

Ms. Jeannie Taylor presented 60 fee waivers for review and consideration of approval. A summary sheet document was provided.

**Motion to approve the 60 fee waivers applications was made by Ms. Halley, seconded by Mr. Cassano and all were in favor. The motion passed unanimously.**

## 5. Approval of initiation of regulatory change for the following rules:

**Gregory Verkamp  
Kimberly Butler**

Gregory Verkamp and Kimberly Butler presented 9 Rules for approval of initiation of regulatory changes. Gregory explained that all rules are the beginning/initiation process. 8 If the 9 rules EPA is behind them and will ultimately have to be approved by the EPA.

### A. AQ-2017-002

Rule 321 (Municipal Solid Waste Landfills)

The Maricopa County Air Quality Department (MCAQD) is proposing to revise Rule 321 to reflect the federal municipal solid waste landfill emission guidelines as promulgated August 29, 2016 and codified at Title 40 (Protection of Environment) of the Code of Federal Regulations (CFR), Part 60 (Standards of Performance for New Stationary Sources), Subpart Cf (Emission Guidelines and Compliance Times for Municipal Solid Waste Landfills). In addition, the MCAQD is proposing to incorporate changes recommended by stakeholders, and to make other changes to improve and clarify the rule.

**Motion to approve Rule 321 (Municipal Solid Waste Landfills) was made by Ms. Halley, seconded by Mr. MacMillan and all were in favor. The motion passed unanimously.**

**B. AQ-2017-007**

Rule 322 (Power Plant Operations)

Rule 323 (Fuel Burning Equipment from Industrial/Commercial/Institutional Sources)

Rule 324 (Stationary Reciprocating Internal Combustion Engines)

The MCAQD is proposing to revise Rules 322, 323, and 324 to address rule approvability comments provided by the Environmental Protection Agency (EPA). These changes are required in order for the EPA to approve these rules as Reasonably Available Control Technology (RACT) for control of nitrogen oxides, which are precursors to ozone formation. The MCAQD is also proposing changes to address rule improvement comments provided by the EPA, to incorporate changes recommended by stakeholders, and to make other changes to improve and clarify the rules.

**Motion to approve Rule 322 (Power Plant Operations), Rule 323 (Fuel Burning Equipment from Industrial/Commercial/Institutional Sources) and Rule 324 (Stationary Reciprocating Internal Combustion Engines) was made by Mr. Cassano, seconded by Ms. Halley, and all were in favor. The motion passed unanimously.**

**C. AQ-2017-009**

Rule 350 (Storage and Transfer of Organic Liquids (Non-Gasoline) at an Organic Liquid Distribution Facility)

Rule 351 (Storage and Loading of Gasoline at Bulk Gasoline Plants and Bulk Gasoline Terminals)

Rule 353 (Storage and Loading of Gasoline at Gasoline Dispensing Facilities)

MCAQD is proposing to revise Rules 350, 351, and 353 to address rule approvability comments provided by the Environmental Protection Agency (EPA). These changes are required in order for the EPA to approve these rules as Reasonably Available Control Technology (RACT) to reduce volatile organic compound (VOC) emissions. The MCAQD is also proposing changes to address rule improvement comments provided by the EPA, to incorporate changes recommended by stakeholders, and to make other changes to improve and clarify the rules.

**Motion to approve Rule 350 (Storage and Transfer of Organic Liquids (Non-Gasoline) at an Organic Liquid Distribution Facility), Rule 351 (Storage and Loading of Gasoline at Bulk Gasoline Plants and Bulk Gasoline Terminals) and Rule 353 (Storage and Loading of Gasoline at Gasoline Dispensing Facilities) was made by Mr. MacMillan, seconded by Mr. Cassano and all were in favor. The motion passed unanimously.**

**D. AQ-2017-010**

Rule 210 (Title V Permit Provisions)

The MCAQD is proposing to revise the MCAQD's NSR rules in order to secure their approval as part of the State Implementation Plan (SIP) under the federal Clean Air Act. The MCAQD's NSR rulemaking is comprised of seven (7) rules, including Rule 210. All of the NSR rules, with the exception of Rule 210, were approved for the initiation of regulatory change by the Board of Health at the July 23, 2018 meeting. Rule 210 was not initiated at that time because revisions to the rule were not anticipated. However, upon review of the U.S. Environmental Protection Agency's (EPA's) recommendations, the MCAQD is requesting approval for the initiation of regulatory change in order to revise Rule 210.

**Motion to approve Rule 210 (Title V Permit Provisions) was made by Mr. Cassano, seconded by Dr. Baldauff and all were in favor. The motion passed unanimously.**

**E. AQ-2017-011**

Rule 204 (Emission Reduction Credits for Use with the Arizona Emissions Bank)

The MCAQD is proposing to revise Rule 204 to add provisions for nontraditional sources of emission reduction credits. Currently, the rule only allows for the generation, certification and utilization of emission reduction credits from permitted

sources. Proposed revisions include new provisions for the generation, certification, and utilization of emission reduction credits from nontraditional sources that use truck stop electrification, electric standby equipped transport refrigeration units, and electric onsite equipment. Revising the rule will provide additional sources of emission reduction credits that will allow Maricopa County to move towards attainment of the National Ambient Air Quality Standards while still allowing industrial growth.

**Motion to approve Rule 204 (Emission Reduction Credits for Use with the Arizona Emissions Bank) was made by Mr. Cassano, seconded by Dr. Baldauff and all were in favor. The motion passed unanimously.**

**Discussion Items:**

1. Public Health Report
  - I. Human Resources
  - II. Communication
  - III. Infrastructure
  - IV. Strategic Planning
  - V. Programs
  - VI. Disease Update
  - VII. Future Topics

**Max Porter**

Max Porter presented the Director's Public Health Report.

The budget isn't quite as depressing as the picture that was presented to you. Yes we have some concerns when it comes to our indirect balance, the central service costs, the ISF funds (administrative costs) that we're hit with. This isn't just a concern for us, it's a concern for all grant funded departments or any department that has a grant. Budget office is looking into it and is looking for a solution. They understand that it's not sustainable the way it's going. We are working with them. We have sufficient funds for this year to get through. We have a year to work through this and get to a solution.

Our department (Public Health) and Human Services are both heavily, heavily grant funded. We are both under the same Assistant County Manager Lee Ann Bohn. She is dedicated to working through this year to try to find a solution for that problem. We will get through this year. We will do what we always do and we will have a successful year. I do want you to be aware that it's not quite as bleak as the picture would look on paper. We are a viable department and we are doing some wonderful things.

We are part of the Big Cities Health Coalition. We're not a city, we're a county but we are the 3<sup>rd</sup> largest Health jurisdiction in the Country behind New York and LA. Majority of Health departments are run through the City organizations throughout the Country, your large metropolis areas. Back in the 50's it was consolidated that all to the Counties because we could consolidate better across city borders if we did it all in one. We're the 3<sup>rd</sup> largest. Part of being a part of this Big Cities Health Coalition it allowed us to go back to the meetings this year and we meet with the head of the CDC. We explained to them that part of the problem we are seeing in our Health Departments is that you're (the CDC) is sending funding from the federal government, majority of our funding comes from the federal government, to the State. The State dictates how they will meet deliverables which often don't work for an urban area like we are and rural areas. So the funding they are sending down is going through another massaging at the State level. The State is taking out administrative expenses and then it goes down to the County department level and fewer and fewer services after each one of these things happen are reaching the people. The CDC heard us. So in three months from that meeting we received our first notice from the CDC that they are sending out instead of a grant a cooperative agreement. It's a guaranteed receipt of funds. We will be getting a new addition of 2.5 million dollars directly from the CDC for OPIOID control. The OPIOID Cooperative Agreement guaranteed funding will hit us in August. We are hoping that this will be a beginning of the way grant funding will flow to us. It gives us a lot better ability to change direction when a new problem hits us. Rather than waiting for the State to determine that it is a problem this will give us the ability to change a grant deliverable directly. We're hoping that, that will be a good change for the future of the way our funding comes in.

As part of the director's report here, the big question that if you don't have you should have is when are we going to get a new director? We are moving towards that direction. We have some very viable candidates that are in, we have some good resumes and we're doing interviews now. So we are hopeful that by your next meeting you will have a real director that will be giving you this report. We're hopeful that someone will be here and if they're not here we will at least have the name and date of when they will be here.

#### Childhood Vaccinations

You're seeing reports almost daily in the news about childhood vaccinations. There is a huge debate with a large amount of anti-vaxxers, I shouldn't say large, there is a loud contingency of anti-vaxxers that are in the community. You have to remember that we lost our herd immunity with our childhood immunizations.

- The majority of the population understand the importance of immunizations. They understand that they have to participate if we're going to protect the entire populous.
- There are also 2-3% can't get vaccinations, they are people that are under treatment for cancer or they are immune suppressed.
- The anti-vaxxers make up about 3% and they are extremely loud and they're campaigning against vaccinations.
- 6 bills in legislature
  - 3 of the bills could really damage our vaccinations
  - The anti-vaxxers are pushing harder and harder to give people personal exemptions for whatever reason.
  - With legislation we can't lobby, all we can do is educate.
  - The Arizona Partnership for Immunization (TAPI),

Right now should be our peak of flu season

- H1N1 is hitting again

#### Congenital Syphilis

- Maricopa County Congenital Syphilis rates have doubled in the last 2 years.
- We have been said to be #1 in the nation, we are actually #5
- By statute – 1<sup>st</sup> trimester tested, 3<sup>rd</sup> trimester tested
  - While it's horrible the fix is simple
- Tested at delivery
- AHCCCS is on board
- Physicians reminded to test for syphilis in pregnant women

#### Community Health Survey

- MaricopaHealthMatters.org
- Why the Health Survey Matters
  - Every three years, Maricopa County Department of Public Health, in collaboration with health care and community partners, conducts a Community Health Survey to develop a deeper understanding from residents about issues that relate to quality of life, availability of services, physical and mental health, and more.
  - The survey is part of a larger review of community health. This goes beyond individual health to look at what is affecting the community overall, what health issues are affecting some communities more than others, and what other factors contribute to those issues.
  - This research is supported by Synapse, a collaboration of healthcare partners, and the Health Improvement Partnership of Maricopa County (HIPMC).
  - It is part of a broader review of the community's health conducted in collaboration with seven healthcare partners and over one hundred community organizations.
  - MCDPH needs this to remain an accredited health department.
  - Questions come from the National Association of County and City Health Organizations (NACCHO), the Institute for Healthcare Improvement (IHI) and MCDPH staff, and are finalized for 2019.
  - Data from this survey and the countywide health review are used to target programs, funds, and attention to health needs with the greatest potential for impact and improvement.



- How the Survey is Being Conducted
  - Goal is 15,000 surveys countywide with representation from all cities and towns
  - Responses will be collected from March 1-May 31, 2019
  - Robust outreach plan developed with partner organizations assisting in data collection
- What You Get and How You Can Help
- What you can get
  - Access to de-identified data
  - More responses will allow for more segmentation in data analysis
- How you can help
  - Take the survey as a county resident
  - Utilize MCDPH outreach toolkit to share the survey with your personal and professional networks
  - Possible partnership with MCDPH epidemiologists to clean and analyze data

#### Community Health Improvement Plan – Grant Opportunity

- Shared Use - <https://www.maricopa.gov/4386/Shared-Use>
- Opening doors to physical activity and healthy eating.
- Opportunities for physical activity and access to healthy food are essential for health at all ages and stages of life.
- Many neighborhoods throughout Maricopa County have limited access to spaces for children, youth, adults, and seniors to easily choose to be active and to eat more nutritious food.
- By opening doors and expanding access to existing facilities, we can improve health and well-being across the community.
- Maricopa County Department of Public Health (MCDPH) is offering grant funding up to \$5000, per site, to increase the number of spaces in under-served areas, so those community residents can: play exercise and take part in recreational activities, grow healthy food and participate in nutrition related activities.
- Goal 100 schools opened
- \$100,000 (\$1500 - \$5000 increments)
- School, Church or any public access
- Grant open until June 30<sup>th</sup> or until funding is gone
- Interested candidates must submit their response either by mail or email no later than May 31, 2019. For full details, a copy of the request for quote (RFQ), or to submit a response, please visit: [bit.ly/opendoorsgrant](http://bit.ly/opendoorsgrant)

#### ANNOUNCEMENTS AND CURRENT EVENTS

- **Next Meeting – April 22, 2019**

**ADJOURNMENT:** There being no further business, **motion to adjourn the meeting was made by Ms. Halley, seconded by Mr. Cassano and motion was passed unanimously.** The meeting was adjourned.

**REVISION TO THE ARIZONA STATE IMPLEMENTATION PLAN (SIP)**

**RULE 204 OF THE MCAPCR**

**APPENDIX 4:  
NOTICE OF AVAILABILITY AND NOTICE OF PROPOSED RULEMAKING**

# THE RECORD REPORTER

~ SINCE 1914 ~

2025 N THIRD ST #155, PHOENIX, AZ 85004-1425  
Telephone (602) 417-9900 / Fax (602) 417-9910

Publishing for Maricopa  
and Pima Counties

MICHELLE MADA  
MARICOPA AIR QUALITY DIV.  
3800 N CENTRAL AVE #1400  
PHOENIX, AZ - 85012-1911

RR# 3284775

INSERT LOGO HERE

NOTICE OF PROPOSED RULEMAKING FOR  
MARICOPA COUNTY AIR POLLUTION CONTROL  
REGULATIONS: The Maricopa County Air Quality  
Department (MCAQD) posted a Notice of Proposed  
Rulemaking on the Maricopa County Enhanced  
Regulatory Outreach Program website at  
<http://www.maricopa.gov/3536/Active-Regulatory-Process> regarding the proposed revision of Maricopa  
County Air Pollution Control Regulation II - Rule 204  
(Emission Reduction Credits For Use With The Arizona  
Emissions Bank). MCAQD will take reasonable  
measures to provide access to department services to  
individuals with limited ability to speak, write, or  
understand English and/or to those with disabilities.  
Requests for language interpretation services or for  
disability accommodations must be made at least 48  
hours in advance by contacting: (602) 506-6443.  
MCAQD tomará medidas razonables para proveer  
acceso a los servicios del departamento para personas  
con capacidad limitada para hablar, escribir o entender  
inglés y / o para las personas con discapacidad. Las  
solicitudes de servicios de interpretación del lenguaje o  
de alojamiento de discapacidad deben hacerse por lo  
menos 48 horas de antelación poniéndose en contacto  
con: (602) 506-6443.  
8/21, 8/28/19

RR-3284775#

## AFFIDAVIT OF PUBLICATION

Reference #: 'Contract PQ1700

Notice Type: MCGPN - GOVERNMENT PUBLIC NOTICE

Ad Description: R204 Notice of Availability

I, Cathy Fisher, am authorized by the publisher as  
agent to make this affidavit. Under oath, I state that the following is true and  
correct.

THE RECORD REPORTER is a newspaper of general circulation published  
Monday, Wednesday and Friday except legal holidays, in the County of  
Maricopa (also publishing for Pima County), State of Arizona. The copy  
hereto attached is a true copy of the advertisement as published on the  
following dates:

08/21/2019, 08/28/2019

Cathy Fisher

State Of Arizona)  
)ss.  
County Of Maricopa)

Subscribed and sworn to before me on the 28th day of August, 2019

Leona J. Gibson



LEONA J. GIBSON  
Notary Public - Arizona  
Maricopa Co. / #560597  
Expires 04/15/2023





**Enhanced Regulatory Outreach Program  
Maricopa County Air Quality Department**

**Notice of Proposed Rulemaking**

**AQ-2017-011-Rule 204**

---

The Notice of Proposed Rulemaking (NPR) for Rule 204 (Emission Reduction Credits For Use With The Arizona Emissions Bank) is attached to this document. The NPR was posted on the Maricopa County Enhanced Regulatory Outreach Program (EROP) website on August 21, 2019, pursuant to Arizona Revised Statute § 49-471.04. Written comments on this NPR may be submitted through the EROP website at: <http://maricopa.gov/FormCenter/Regulatory-Outreach-17/Citizen-Comments-94>.

**NOTICE OF PROPOSED RULEMAKING**  
**MARICOPA COUNTY AIR POLLUTION CONTROL REGULATIONS**  
**REGULATION II – PERMITS AND FEES**  
**RULE 204: EMISSION REDUCTION CREDITS FOR USE WITH THE ARIZONA**  
**EMISSIONS BANK**

The Maricopa County Air Quality Department (MCAQD) is proposing to amend Maricopa County Air Pollution Control Regulation II – Rule 204 (Emission Reduction Credits For Use With The Arizona Emissions Bank). The Control Officer is posting this notice of proposed rulemaking on the Maricopa County Enhanced Regulatory Outreach Program (EROP) website, as required by Arizona Revised Statute (A.R.S.) § 49-471.04. This notice includes the preamble, as prescribed in A.R.S. § 49-471.05, and the full text of the rule, including the intended actions to make new sections or amend, repeal, or renumber the sections of the rule.

**PREAMBLE**

**1. Statutory authority for the rulemaking:**

A.R.S. §§ 49-112, 49-474, 49-479 and 49-480

**2. Name and address of department personnel with whom persons may communicate regarding the rulemaking:**

Name: Kimberly Butler  
Maricopa County Air Quality Department  
Planning and Analysis Division  
Address: 3800 N Central Avenue, Suite 1400  
Phoenix, AZ 85012  
Telephone: (602) 506-6731  
Fax: (602) 506-6179  
Email: AQPlanning@maricopa.gov  
Submit Comments At: <http://maricopa.gov/FormCenter/Regulatory-Outreach-17/Citizen-Comments-94>

**3. Rulemaking process:**

This rulemaking is following procedures identified in state statutes and the Maricopa County EROP Policy.

County Manager Briefing: December 2017

Stakeholder Workshops:

September 27, 2018

July 16, 2019

Board of Health Meeting to Initiate Regulatory Change:

February 25, 2019

Written comments regarding the proposed rulemaking may be submitted to the MCAQD through the EROP website (see Item #2 of this notice). Written comments received through the EROP website will be considered formal comments to the Notice of Proposed Rulemaking and will be responded to in the draft Notice of Final Rulemaking as part of the Report to the Board of Supervisors.

An oral proceeding will be scheduled only upon receipt of a written request before September 20, 2019, at 5:00 p.m.

After September 20, 2019, the MCAQD will present the final language of the proposed rule and a summary of formal comments on the proposed rule to the Board of Health. The Board of Health will review this information and vote on making a recommendation to the Board of Supervisors. If the Board of Health votes to recommend approval of the proposed revisions, then the MCAQD will request a public hearing with the Maricopa County Board of Supervisors. At the public hearing, the Board of Supervisors will vote on the proposed rule.

**4. Explanation of the rule, including the control officer's reasons for initiating the rulemaking:**

**Summary**

Rule 204 implements procedures for the certification and utilization of emission reduction credits (ERCs) generated from permitted sources emitting particulate matter, sulfur dioxide, carbon monoxide, nitrogen oxides, or volatile organic compounds. Participation in the generation, certification, and utilization of ERCs is voluntary; however, when a source chooses to generate, certify or utilize ERCs they must do so in compliance with the applicable provisions of Rule 204. Permitted sources may submit an application to the MCAQD for the certification of ERCs that are generated within a nonattainment area in Maricopa County. Certified credits may be deposited into the Arizona Emissions Bank until they are sold, used, or retired. The Arizona Department of Environmental Quality (ADEQ) administers the Arizona Emissions Bank, as specified in Arizona Revised Statutes (A.R.S.) § 49-410 and Arizona Administrative Code (A.A.C.) Title 18, Chapter 2, Article 12.

In 2017, the Arizona State Legislature amended A.R.S. § 49-410 to allow for the generation, certification, and utilization of ERCs from nontraditional (non-permitted) sources. ADEQ followed with a revision to the A.A.C. on June 14, 2019 (25 A.A.R. 1433). The MCAQD is proposing to revise Rule 204 to include provisions for the generation, certification, and utilization of emission reduction credits from nontraditional sources that use truck stop electrification, electric standby equipped transport refrigeration units, or electric onsite equipment to generate emission reduction credits. The MCAQD is also proposing revisions to align the rule with the revisions made to the Arizona Emissions Bank rules by the ADEQ.

### **Background**

The federal Clean Air Act's (CAA) New Source Review (NSR) program requires the owner or operator proposing to construct a new major source or proposing to construct a major modification of an existing major source in a nonattainment area to obtain emission offsets before the proposed project may commence. The purpose of requiring emission offsets is to allow a nonattainment area to move towards attainment of the National Ambient Air Quality Standards (NAAQS) while still allowing for industrial growth in that area.

An emission offset is a reduction in the emissions of a pollutant from one emission source in a nonattainment area to compensate for an emissions increase of that same pollutant from another emission source in the nonattainment area. Emission reductions used as emission offsets must equal or exceed emission increases from a proposed new or modified major source in a nonattainment area. The amount of emission reductions required depends on the pollutant and the classification of the nonattainment area associated with that pollutant.

New or expanding sources in a nonattainment area commonly meet the offset requirement by adding emission controls to a process, replacing equipment, closing a facility, or purchasing ERCs. An ERC is a credit earned by a company by reducing emissions beyond what is required by law or by shutting down a facility. ERCs must be certified to be permanent, enforceable, real, surplus and quantifiable. An ERC is company property that companies can buy and sell to other companies that need emissions offsets.

Maricopa County is currently designated as a nonattainment area for both the 2008 8-hour ozone NAAQS and the 2015 8-hour ozone NAAQS. It is classified as a moderate nonattainment area for the 2008 8-hour ozone NAAQS and as a marginal nonattainment area for the 2015 ozone 8-hour NAAQS. In ozone nonattainment areas, an owner or

operator proposing to construct a new major source or proposing to construct a major modification of an existing major source must obtain emission offsets that exceed emission increases from the proposed project before the project may commence. In the case of an ozone moderate nonattainment area, such as Maricopa County, an owner or operator proposing to construct a new major source or proposing to construct a major modification of an existing major source must obtain 1.15 tons of emission offsets for every 1.0 ton of proposed emission increases from the project.

Recently, several inquiries have been made for expanding existing major sources or locating new major sources in Maricopa County. Under current Rule 204, an owner or operator proposing to construct a new major source or proposing to construct a major modification of an existing major source in Maricopa County may obtain emission offsets by adding emission controls to a process, replacing equipment, closing a facility or purchasing ERCs. Unfortunately, many of the sources interested in expanding or locating new major sources in Maricopa County are not currently able to obtain enough offsets through these methods. As a result, industrial growth for certain industries in Maricopa County has halted.

**Challenge: Availability of Emission Reduction Credits**

A common method of obtaining emission offsets is the purchase of ERCs. Unfortunately, there is a limited amount of ERCs available in Maricopa County to allow for industrial growth in certain industries. In particular, there is a limited amount of volatile organic compound (VOC) and oxides of nitrogen (NO<sub>x</sub>) ERCs.

To accommodate future economic growth in Maricopa County while complying with federal air quality requirements, the county needs to increase the availability of emission offsets. The MCAQD has researched ways to do this and has determined one way to do so is to revise Rule 204 to allow for the generation, certification, and utilization of ERCs from nontraditional sources of ERCs.

Currently, Rule 204 only allows for the generation, certification, and utilization of ERCs generated from traditional, or permitted, sources. Due to the lack of major sources in the county, a large amount of ERCs have not been generated through this manner. As a result, the MCAQD is proposing to revise Rule 204 to allow for the generation, certification, and utilization of ERCs from nontraditional sources of ERCs, specifically from private truck stop electrification, electric standby equipped transport refrigeration units and electric onsite



equipment. The generation, certification, and utilization of ERCs from nontraditional sources will increase the amount of ERCs available thereby increasing the amount of emission offsets available for major sources looking to locate or expand in Maricopa County.

#### **Proposed revisions to Rule 204**

In general, the MCAQD proposes to:

- Revise the rule to align with the revisions made to the Arizona Emissions Bank rules by the ADEQ.
- Revise Section 100 (General) to clarify the purpose of the rule and expand the applicability of the rule to include nontraditional (non-permitted) sources of ERCs (regulatory generators and plan generators).
- Revise Section 200 (Definitions) to add, revise and delete definitions to be consistent with the definitions found in A.A.C. Title 18, Chapter 2, Article 12, R18-2-1201 and to add definitions necessary to define new terms associated with proposed language related to regulatory generators.
- Revise and restructure Section 300 (Standards) to provide separate subsections describing the application, certification, registration, and utilization requirements of ERCs generated by permitted and regulatory generators.
- Add Section 400 (Administrative Requirements), subsection 401 (Offset Integrity Responsibilities) to describe the responsibilities of a permitted source using certified credits generated by a plan generator or a regulatory generator including actions that a permitted source must take if an offset shortage is discovered.
- Add Section 500 (Monitoring and Records) to describe recordkeeping and monitoring requirements a regulatory generator must comply with to demonstrate the continued generation of emission reductions and the integrity of the certified credits.
- Add Appendices A, B and C to describe the calculations used to determine the actual emission reductions achieved by regulatory generators.

**5. Studies relied on in the control officer's evaluation of or justification for the rule and where the public may obtain or review the studies, all data underlying the studies, any analysis of the studies and other supporting material.**

United States Environmental Protection Agency Region IX Air Division (2007). *Technical Support Document for EPA's Rulemaking for the Arizona State Implementation Plan Regarding*

*Maricopa County Air Quality Department Rule 242, "Emission Offsets Generated by the Voluntary Paving of Unpaved Roads".* This document may be viewed at the Maricopa County Air Quality Department, 3800 North Central Ave., Suite 1400, Phoenix, AZ 85012.

United States Environmental Protection Agency (2004). *Guidance for Quantifying and Using Long Duration Truck Idling Emission Reductions in State Implementation Plans and Transportation Conformity* (EPA420-B-04-001). Retrieved from [https://www3.epa.gov/ttn/naaqs/aqmguides/collection/cp2/20040101\\_otaq\\_epa-420\\_b-04-001\\_truck\\_idling\\_emission\\_reductions.pdf](https://www3.epa.gov/ttn/naaqs/aqmguides/collection/cp2/20040101_otaq_epa-420_b-04-001_truck_idling_emission_reductions.pdf)

**6. An economic, small business and consumer impact statement:**

The following discussion addresses each of the elements required for an economic, small business and consumer impact statement, as prescribed by A.R.S. §§ 41-1055, subsections A, B and C, and 41-1035:

**An identification of the proposed rulemaking, including all of the following:**

This rulemaking is proposing to revise Rule 204. Participation in the generation, certification, and utilization of ERCs is voluntary.

**(a) The conduct and its frequency of occurrence that the rule is designed to change.**

The MCAQD is proposing to revise Rule 204 to allow for the generation, certification, and utilization of ERCs from nontraditional sources of ERCs, specifically from private truck stop electrification, electric standby equipped transport refrigeration units and electric onsite equipment.

**(b) The harm resulting from the conduct the rule is designed to change and the likelihood it will continue to occur if the rule is not changed.**

Currently, there is a limited amount of VOC and NO<sub>x</sub> credits available in Maricopa County. The lack of available credits adversely impacts Maricopa County's economy by limiting the ability of certain major stationary sources to locate or expand operations within Maricopa County. If Rule 204 is not revised, the ability for certain major stationary sources to locate or expand in Maricopa County will continue to be limited.

**(c) The estimated change in frequency of the targeted conduct expected from the rule change.**

The MCAQD is proposing to revise Rule 204 to allow for the generation, certification, and utilization of ERCs from nontraditional sources of ERCs, specifically from private truck stop electrification, electric standby equipped transport refrigeration units and electric onsite equipment.

**A brief summary of the information included in the economic, small business and consumer impact statement.**

Participation in the generation, certification, and utilization of ERCs is voluntary; however, when a source chooses to generate, certify or utilize ERCs they must do so in compliance with the applicable provisions of Rule 204.

This rulemaking is anticipated to have an overall positive impact on Maricopa County's economy. The generation of more ERCs by nontraditional sources will allow more large businesses wishing to construct new major sources or make major modifications to existing major sources in Maricopa County to meet the emission offset requirement of the CAA. In addition, owners or operators of private truck stops, transport refrigeration units, and onsite equipment that choose to use electricity to reduce or eliminate emissions from gasoline and diesel powered equipment and generate ERCs will benefit by being able to sell ERCs to the large businesses needing them for emissions offsets.

**Name and address of agency employees who may be contacted to submit or request additional data on the information included in the economic, small business and consumer impact statement.**

Name:	Kimberly Butler Maricopa County Air Quality Department Planning and Analysis Division
Address:	3800 N Central Avenue, Suite 1400 Phoenix, AZ 85012
Telephone:	(602) 506-6731
Fax:	(602) 506-6179
Email:	AQPlanning@maricopa.gov
Submit Comments At:	<a href="http://maricopa.gov/FormCenter/Regulatory-Outreach-17/Citizen-Comments-94">http://maricopa.gov/FormCenter/Regulatory-Outreach-17/Citizen-Comments-94</a>

**An identification of the persons who will be directly affected by, bear the costs of or directly benefit from the proposed rulemaking.**

Participation in the generation, certification, and utilization of ERCs is voluntary; however, when a source chooses to generate, certify or utilize ERCs they must do so in compliance with the applicable provisions of Rule 204. Both the generator and the user of the ERCs will bear the costs and benefits from the proposed rulemaking.

The owner or operator of a private truck stop, transport refrigeration unit, or onsite equipment that chooses to use electricity to reduce or eliminate emissions from gasoline and diesel powered equipment will bear the costs associated with the cost to replace or add equipment necessary to use electricity instead of gasoline or diesel; however, they will benefit from the ability to generate ERCs and, ultimately, sell the certified ERCs for a profit.

The owner or operator of a major stationary source needing emission offsets will bear the cost of purchasing the certified ERCs but will benefit from the ability to construct a new major stationary source in Maricopa County or make a major modification to an existing major stationary source in Maricopa County.

In addition, the citizens and visitors to Maricopa County are anticipated to benefit from this rulemaking. They will have better air to breathe through the reduction of air pollutants and potentially more job opportunities through new economic growth and expansion.

**A cost benefit analysis of the following:**

**(a) The probable costs and benefits to the implementing agency and other agencies directly affected by the implementation and enforcement of the proposed rulemaking.**

The cost incurred by MCAQD to review ERC applications and certify ERCs has been, and is expected to continue to be, minimal.

The cost to ADEQ of administering the Arizona Emissions Bank has been, and is expected to continue to be, minimal as stated in ADEQ's Notice of Final Rulemaking (25 A.A.R. 1433, June 14, 2019).

**(b) The probable costs and benefits to a political subdivision of this state directly affected by the implementation and enforcement of the proposed rulemaking.**

This rulemaking should not impose any new costs on political subdivisions of this state affected by the proposed rulemaking.

**(c) The probable costs and benefits to businesses directly affected by the proposed rulemaking, including any anticipated effect on the revenues or payroll expenditures of employers who are subject to the proposed rulemaking.**

Participation in the generation, certification, and utilization of ERCs is voluntary; however, when a source chooses to generate, certify or utilize ERCs they must do so in compliance with the applicable provisions of Rule 204. Both the generator and the user of the ERCs will bear the costs and benefits from the proposed rulemaking.

The owner or operator of a private truck stop, transport refrigeration unit, or onsite equipment that chooses to use electricity to reduce or eliminate emissions from gasoline and diesel powered equipment will bear the costs associated with the cost to replace or add equipment necessary to use electricity instead of gasoline or diesel; however, they will benefit from the ability to generate ERCs and, ultimately, sell the certified ERCs for a profit.

The owner or operator of a major stationary source needing emission offsets will bear the cost of purchasing the certified ERCs but will benefit from the ability to construct a new major stationary source in Maricopa County or make a major modification to an existing major stationary source in Maricopa County.

**A general description of the probable impact on private and public employment in businesses, agencies and political subdivisions of this state directly affected by the proposed rulemaking.**

The probable impact on private and public employment in businesses directly affected by the proposed rulemaking is expected to be positive. The generation of more ERCs will allow more businesses to locate and expand in Maricopa County, thereby increasing the overall economic growth and expansion.

**A statement of the probable impact of the proposed rulemaking on small businesses.**

**The statement shall include:**

**(a) An identification of the small businesses subject to the proposed rulemaking.**

Participation in the generation, certification, and utilization of ERCs is voluntary; however, when a source chooses to generate, certify or utilize ERCs they must do so in compliance with the applicable provisions of Rule 204.

The small businesses subject to Rule 204 are the owners or operators of private truck stops, transport refrigeration units, and onsite equipment who choose to use electricity to reduce or eliminate emissions from gasoline and diesel powered equipment.

**(b) The administrative and other costs required for compliance with the proposed rulemaking.**

Participation in the generation, certification, and utilization of ERCs is voluntary; however, when a source chooses to generate, certify or utilize ERCs they must do so in compliance with the applicable provisions of Rule 204.

Administrative Costs: Small business choosing to generate and certify ERCs must comply with the application and recordkeeping requirements of the rule.

Other Costs: Small business choosing to generate and certify ERCs will bear costs associated with the cost to replace or add equipment necessary to use electricity instead of gasoline or diesel and the cost of any monitoring equipment required by the rule to ensure the continued generation of ERCs.

**(c) A description of the methods that the agency may use to reduce the impact on small businesses.**

**i. Establish less stringent compliance or reporting requirements in the rule for small businesses.**

Participation in the generation, certification, and utilization of ERCs is voluntary; however, when a source chooses to generate, certify or utilize ERCs they must do so in compliance with the applicable provisions of Rule 204. The MCAQD is not aware of any less stringent compliance or reporting requirements.

**ii. Establish less stringent schedules or deadlines in the rule for compliance or reporting requirements for small businesses.**

Participation in the generation, certification, and utilization of ERCs is voluntary; however, when a source chooses to generate, certify or utilize ERCs they must do so in compliance with the applicable provisions of Rule 204. The MCAQD is not

aware of any less stringent schedules or deadlines for compliance or reporting requirements.

**iii. Consolidate or simplify the rule's compliance or reporting requirements for small businesses.**

Participation in the generation, certification, and utilization of ERCs is voluntary; however, when a source chooses to generate, certify or utilize ERCs they must do so in compliance with the applicable provisions of Rule 204. The MCAQD is not aware of any way to consolidate or simplify the rule's compliance or reporting requirements.

**iv. Establish performance standards for small businesses to replace design or operational standards in the rule.**

Participation in the generation, certification, and utilization of ERCs is voluntary; however, when a source chooses to generate, certify or utilize ERCs they must do so in compliance with the applicable provisions of Rule 204.

**v. Exempt small businesses from any or all requirements of the rule.**

Participation in the generation, certification, and utilization of ERCs is and will remain voluntary.

**(d) The probable cost and benefit to private persons and consumers who are directly affected by the proposed rulemaking.**

This rulemaking will not impose any costs to private persons or consumers. The citizens and visitors to Maricopa County will benefit through the reduction of air pollutants and economic growth.

**A statement of the probable effect on state revenues.**

The rulemaking will not impose increased monetary or regulatory costs on other state agencies, political subdivisions of this state, persons, or individuals so regulated. Without costs to pass through to customers, there is no projected change in consumer purchase patterns and, thus, no impact on state revenues from sales taxes.

**A description of any less intrusive or less costly alternative methods of achieving the purpose of the proposed rulemaking, including the monetizing of the costs and**

**benefits for each option and providing the rationale for not using nonselected alternatives.**

The MCAQD is not aware of any less intrusive or costly methods to achieve the purpose of this rulemaking.

**A description of any data on which a rule is based with a detailed explanation of how the data was obtained and why the data is acceptable data.**

See section #5 of this notice.

**7. The proposed effective date of the rule:**

The proposed effective date of this rulemaking is December 11, 2019.

**8. Such other matters as are prescribed by statute and that are applicable to the county or to any specific rule or class of rules:**

Under A.R.S. § 49-479(C), a county may not adopt a rule or ordinance that is more stringent than the rules adopted by the Director of the Arizona Department of Environmental Quality (ADEQ) for similar sources unless it demonstrates compliance with the applicable requirements of A.R.S. §49-112.

The MCAQD is in compliance with A.R.S. §§ 49-112(A) and (B). This rulemaking is not making the rule more stringent than the rules adopted by the Director of ADEQ.

**EXACT WORDING OF THE RULE**

**MARICOPA COUNTY  
AIR POLLUTION CONTROL REGULATIONS  
REGULATION II - PERMITS AND FEES**

**RULE 204**

**EMISSION REDUCTION CREDITS CREDIT (ERC) GENERATION,  
CERTIFICATION AND USE FOR USE WITH THE ARIZONA EMISSIONS BANK**

**INDEX**

**SECTION 100 - GENERAL**

101 PURPOSE

102 APPLICABILITY

**SECTION 200 - DEFINITIONS**

201 ACCOUNT HOLDER

202 ARIZONA EMISSIONS BANK



	<u>203</u>	<u>BASELINE EMISSIONS</u>
204	<u>204</u>	<u>CERTIFIED CREDIT</u>
	<u>202</u>	<u>CREDIT UTILIZATION</u>
	<u>205</u>	<u>ELECTRIC STANDBY EQUIPPED TRU</u>
203	<u>206</u>	<u>EMISSION REDUCTION CREDIT (ERC) <del>or CREDIT</del></u>
	<u>204</u>	<u>EMISSIONS BANK</u>
	<u>207</u>	<u>ENFORCEABLE</u>
	<u>208</u>	<u>GENERATOR</u>
	<u>209</u>	<u>IDLE REDUCTION TECHNOLOGY</u>
	<u>210</u>	<u>LONG DURATION IDLING</u>
	<u>211</u>	<u>OFFSET-CREATION RULE</u>
	<u>212</u>	<u>OFFSETS</u>
	<u>213</u>	<u>ONSITE EQUIPMENT</u>
	<u>214</u>	<u>PERMANENT</u>
	<u>215</u>	<u>PERMITTED GENERATOR</u>
	<u>216</u>	<u>PLAN GENERATOR</u>
	<u>217</u>	<u>PRIVATE TRUCK STOP</u>
	<u>218</u>	<u>QUALIFYING EMISSIONS</u>
	<u>219</u>	<u>QUANTIFIABLE</u>
	<u>220</u>	<u>REAL</u>
	<u>221</u>	<u>REGULATORY GENERATOR</u>
205	<u>222</u>	<u>SURPLUS</u>
	<u>223</u>	<u>TRANSPORT REFRIGERATION UNIT (TRU)</u>
	<u>224</u>	<u>TRUCK STOP ELECTRIFICATION (TSE)</u>

## **SECTION 300 - STANDARDS**

	<u>304</u>	<u><del>CREDIT CERTIFICATION</del></u>
	<u>302</u>	<u><del>CREDIT UTILIZATION</del></u>
	<u>301</u>	<u>CERTIFICATION OF CREDITS FOR EMISSION REDUCTIONS BY A PERMITTED GENERATOR</u>
	<u>302</u>	<u>CERTIFICATION OF CREDITS FOR EMISSION REDUCTIONS BY A REGULATORY GENERATOR</u>
	<u>303</u>	<u>TRUCK STOP ELECTRIFICATION (TSE)</u>
	<u>304</u>	<u>TRANSPORT REFRIGERATION UNIT (TRU)</u>

305    ~~ONSITE EQUIPMENT~~

306    ~~REGISTRATION OF CERTIFIED CREDITS IN THE ARIZONA EMISSIONS BANK~~

307    ~~USE OF THE CERTIFIED CREDITS~~

**SECTION 400 - ADMINISTRATIVE REQUIREMENTS ~~(NOT APPLICABLE)~~**

401    ~~OFFSET INTEGRITY RESPONSIBILITIES~~

**SECTION 500 - MONITORING AND RECORDS ~~(NOT APPLICABLE)~~**

501    ~~RECORDKEEPING AND RECORDS RETENTION~~

502    ~~INSPECTIONS~~

503    ~~TRUCK STOP ELECTRIFICATION (TSE) RECORDS~~

504    ~~TRANSPORT REFRIGERATION UNIT (TRU) RECORDS~~

505    ~~ONSITE EQUIPMENT RECORDS~~

**APPENDICES TO RULE 204**

APPENDIX A: CALCULATIONS FOR DETERMINING EMISSION REDUCTIONS FROM EACH ELECTRIFIED TRUCK SPACE

APPENDIX B: CALCULATIONS FOR DETERMINING EMISSION REDUCTIONS FROM EACH ELECTRIC STANDBY EQUIPPED TRU

APPENDIX C: CALCULATIONS FOR DETERMINING EMISSION REDUCTIONS FROM EACH PIECE OF ONSITE EQUIPMENT

**Adopted 05/07/03**

**Adopted 05/07/2003; Revised MM/DD/YYYY**

**MARICOPA COUNTY  
AIR POLLUTION CONTROL REGULATIONS  
REGULATION II - PERMITS AND FEES**

**RULE 204**

**EMISSION REDUCTION CREDITS CREDIT (ERC) GENERATION,  
CERTIFICATION AND USE ~~FOR USE WITH THE ARIZONA EMISSIONS BANK~~**

**SECTION 100 – GENERAL**

**101    ~~PURPOSE:~~ ~~To implement procedures for certification and utilization of emission reduction credits for use with the Arizona Emissions Bank. To facilitate the creation and trading of emission reduction credits (ERCs) for use as offsets by providing a process for:~~**

**101.1    ~~Creating emission reduction credits for reductions achieved by permitted generators and regulatory generators.~~**

**101.2    ~~Certifying credits as meeting offset requirements in advance of the certified credits' use for that purpose.~~**

- 101.3 Registering certified credits in the Arizona Emissions Bank.
- 101.4 Using certified credits registered in the Arizona Emissions Bank.
- 101.5 Using certified credits not registered in the Arizona Emissions Bank.

**102** **APPLICABILITY:** ~~Participation in the Rule 204 emission reduction credit certification and utilization program is voluntary. The provisions of this rule apply to permitted sources emitting particulate matter, sulfur dioxide, carbon monoxide, nitrogen oxides, or volatile organic compounds. Rule 204 does not apply to sources granted the authority to operate under Rule 230 (General Permits) of these rules. The provisions of this rule apply to the following persons and entities:~~

- 102.1 A permitted generator.
- 102.2 A plan generator.
- 102.3 A regulatory generator.
- 102.4 The owner or operator of a permitted stationary source that intends to use certified credits as offsets.

**SECTION 200 – DEFINITIONS:** For the purpose of this rule, the following definitions shall apply. ~~See apply in addition to those definitions found in Rule 100 (General Provisions and Definitions) of these rules, for definitions of terms that are used but not specifically defined in this rule. In the event of any inconsistency between any of the Maricopa County Air Pollution Control Regulations, the definitions in this rule take precedence.~~

- 201** **ACCOUNT HOLDER:** Any person or entity who has opened an account with the Arizona Emissions Bank.
- 202** **ARIZONA EMISSIONS BANK:** The system created by the Arizona Department of Environmental Quality (ADEQ) to record and make publically available information on the issuance, certification, transfer, retirement, and use of emission reduction credits.
- 203** **BASELINE EMISSIONS:** The average rate, in tons per year as rounded down to the nearest one tenth (1/10) of a ton, at which the generator actually emitted the pollutant during the two preceding calendars years, or two calendar years more representative of normal emissions within the 5-year period immediately before the emissions reduction is achieved.

**204** **CERTIFIED CREDITS CREDIT:** ~~—emission reduction credits that have qualified for certification by satisfying the criteria established for emission reduction as outlined in Section 301 (Credit Certification) of this rule. An ERC that has met the criteria in this rule for certification and has been issued by the Maricopa County Air Quality Department (MCAQD).~~

**202** **CREDIT UTILIZATION** ~~—the use of a certified emission reduction credit.~~

**205** **ELECTRIC STANDBY EQUIPPED TRU:** A transport refrigeration unit (TRU) with a refrigeration system that may be selectively powered by either an integral, diesel fueled internal combustion engine, or an integral, electric powered motor.

- EMISSION REDUCTION CREDIT (ERC):** ~~or CREDIT~~—a certified unit that may be banked, sold, transferred, withdrawn or retired. A reduction in qualifying emissions, expressed in tons per year as rounded down to the nearest one tenth (1/10) of a ton, for which a generator has submitted an application pursuant to this rule.
- EMISSIONS BANK**—the electronic entity where emission reduction credits are recorded for the purpose of the public notice, allowing a person to determine the availability of credits for related market transactions. The emissions bank is administered by the Arizona Department of Environmental Quality.
- ENFORCEABLE:** Specific measures for assessing compliance with an emissions limitation, control, or other requirement established in a permit or in this rule in a manner that allows compliance to be readily determined by, but not limited to, an inspection of records and reports.
- GENERATOR:** Any permitted source or other activity that has made or proposes to make reductions in qualifying emissions.
- IDLE REDUCTION TECHNOLOGY:** A technology or device that reduces the need for long duration idling.
- LONG DURATION IDLING:** The operation of a diesel engine at a time in which the main drive engine is not engaged and in gear for a period greater than 15 consecutive minutes except when associated with routine stoppages due to traffic congestion or for the loading or processing of cargo.
- OFFSET-CREATION RULE:** A Maricopa County Air Pollution Control Regulation that has been approved into the State Implementation Plan (SIP) and provides a method for allowing emission reductions from specific activities to qualify as offsets. Rule 242 (Emission Offsets Generated by the Voluntary Paving of Unpaved Roads) is an example of an offset-creation rule.
- OFFSETS:** Reductions in emissions required under Rule 240 (Federal Major New Source Review (NSR)) of these rules.
- ONSITE EQUIPMENT:** Mobile, nonroad industrial, and ground support equipment that are part of the same fleet and used at the same location such as equipment located at, but not limited to, an airport, a distribution center, or a rail yard.
- PERMANENT:** Reductions in qualifying emissions that are enforceable and enduring for the duration of federal major new source review obligations.
- PERMITTED GENERATOR:** A generator that is a stationary source subject to a permit and that seeks credits for reductions that are, or will be made enforceable through a permit condition.
- PLAN GENERATOR:** A generator that intends to achieve or has achieved reductions in qualifying emissions in compliance with an emission reduction plan under A.A.C. R18-2-1205.

- 217 PRIVATE TRUCK STOP:** A private place of business (non-commercial/non-public) that provides services and parking spaces to only its private fleet drivers and trucks.
- 218 QUALIFYING EMISSIONS:** Emissions of any conventional air pollutant, other than elemental lead, or any precursor of a conventional air pollutant from any activity when generated within the Maricopa County nonattainment area associated with the conventional air pollutant.
- 219 QUANTIFIABLE:** With respect to emissions, including the emissions involved in equivalent emission limits and emission trades, capable of being measured or otherwise determined in terms of quantity and addressed in terms of character. Quantification may be based on emission factors, stack tests, monitored values, operating rates, and averaging times, materials used in a process or production, modeling, or other reasonable measurement practices.
- 220 REAL:** A reduction in actual emissions released to the air resulting from a physical change or change to the method of operations by a generator.
- 221 REGULATORY GENERATOR:** A generator that has achieved reductions in qualifying emissions by compliance with an offset-creation rule.
- 205 **222 SURPLUS:** ~~—the amount of a permitted source's emission reduction that is not required by federal, state, or local law.~~ A reduction in qualifying emissions not otherwise required by a federally applicable requirement and not relied upon in the State Implementation Plan (SIP).
- 223 TRANSPORT REFRIGERATION UNIT (TRU):** A refrigeration system powered by an integral, internal combustion engine designed to control the environment of temperature sensitive products that are stored in trucks and trailers. A TRU is capable of providing cooling or heating for truck and trailer cargo spaces.
- 224 TRUCK STOP ELECTRIFICATION (TSE):** A stationary idle reduction technology that provides electricity to power on-board truck equipment in lieu of idling the main truck engine or using onboard auxiliary power units (APUs).

## SECTION 300 – STANDARDS

### 301 CREDIT CERTIFICATION

- 301.1** ~~The Control Officer may certify an emission credit if the Control Officer verifies the credit is based on all of the following:~~
- ~~(a) A reduction in actual emissions that occurred after August 17, 1999;~~
  - ~~(b) A quantifiable reduction in actual emissions;~~
  - ~~(c) A permanent reduction in actual emissions;~~
  - ~~(d) An enforceable reduction in actual emissions; and~~
  - ~~(e) A surplus reduction in actual emissions occurring in addition to any other required emission reduction.~~

- ~~301.2 The source must notify the Control Officer when the reduction occurs.~~
- ~~301.3 In order for the emission reduction to be quantifiable under this section:~~
- ~~(a) The emission reduction must be quantifiable under Rule 100, § 200.86; and~~
  - ~~(b) The reducing source shall submit documentation of any testing or monitoring that demonstrates an emission reduction.~~
- ~~301.4 The Control Officer shall certify one emission reduction credit for each ton per year of particulate matter, sulfur dioxide, carbon monoxide, nitrogen dioxide, or volatile organic compound actually reduced.~~
- ~~301.5 The Control Officer shall notify the source and the Director of the ADEQ that a credit is certified.~~

## **302 CREDIT UTILIZATION**

- ~~302.1 A source may use a certified emission reduction credit in the same nonattainment area, maintenance area, or modeling domain in which the emission reduction occurred by submitting a Credit Utilization Application (CUA) to both the Director of the ADEQ and the Control Officer, on a form prescribed by the Director of the ADEQ. The source shall submit the CUA to the Control Officer at the time the source submits an application for a permit or permit revision.~~
- ~~302.2 Before any emission reduction credits may be utilized, the Control Officer shall:~~
- ~~(a) Evaluate and verify the authenticity of the credit, and~~
  - ~~(b) Determine that there will be no adverse impact on the air quality.~~
- ~~302.3 After the Control Officer completes the permitting action, the Control Officer shall submit the credit certificate to the Director of the ADEQ and notify the Director that the requirements of A.A.C. R18-2-1206 have been met.~~

## **301 CERTIFICATION OF CREDITS FOR EMISSION REDUCTIONS BY A PERMITTED GENERATOR:**

### **301.1 Application:**

- a. The owner or operator of a permitted generator may apply for certified credits for reductions in qualifying emissions at any time after filing either of the following with the Control Officer:
  - (1) An application for a permit revision seeking the imposition of conditions to make the reductions in qualifying emissions permanent and enforceable; or
  - (2) A notice of permit termination seeking to make the shutdown of a stationary source and the resulting reductions in qualifying emissions permanent and enforceable.
- b. An application for certified credits shall be filed with the Control Officer on the form prescribed by the MCAQD and shall include:

- (1) Information on the identity, type, ownership, and location of the permitted generator.
- (2) A description of the actions that have resulted or will result in the reductions in qualifying emissions;
- (3) Information on the amount of and methodology for calculating the reductions in qualifying emissions for each pollutant subject to the application;
- (4) Other information necessary to verify that the reductions in qualifying emissions qualify as permanent, quantifiable, surplus, enforceable, and real;
- (5) The actual date or anticipated date of the reductions in qualifying emissions, as applicable; and
- (6) A signed statement by a responsible official, as defined in Rule 100 (General Provisions and Definitions), verifying the truthfulness and accuracy of all information provided in the application.

**301.2 Action on Application:** The Control Officer shall review the application for credits and:

- a. Issue one certified credit for each ton, as rounded down to the nearest one tenth (1/10) of a ton, per year of reduction that qualifies as permanent, quantifiable, surplus, enforceable, and real; and
- b. Provide the applicant with a certificate representing the number of certified credits issued.
- c. If no emission reductions qualify to be certified, then no certified credits will be issued.

**301.3 Registration of Certified Credits in the Arizona Emissions Bank:** Certified credits may be registered in the Arizona Emissions Bank but registration is not required. See Section 306 (Registration of Certified Credits in the Arizona Emissions Bank) for procedures regarding registration of certified credits in the Arizona Emissions Bank.

## **302 CERTIFICATION OF CREDITS FOR EMISSION REDUCTIONS BY A REGULATORY GENERATOR:**

**302.1 Application:**

- a. The owner or operator of a regulatory generator may apply for credits for reductions in qualifying emissions at any time after complying with the applicable requirements in Section 303 (Truck Stop Electrification (TSE)), Section 304 (Transport Refrigeration Unit (TRU)), or Section 305 (Onsite Equipment).
- b. An application for credits shall be filed with the Control Officer on the form prescribed by the MCAQD and shall include the information found in Section 301.1.b.

**302.2 Action on Application:** The Control Officer shall review the application for credits and:

- a. Issue one certified credit for each ton, as rounded down to the nearest one tenth (1/10) of a ton, per year of reduction that qualifies as permanent, quantifiable, surplus, enforceable, and real.
- b. Provide the applicant with a certificate representing the number of certified credits issued.
- c. If no emission reductions qualify to be certified, then no credits will be issued.

**302.3 Registration of Certified Credits in the Arizona Emissions Bank:** Certified credits may be registered in the Arizona Emissions Bank but registration is not required. See Section 306 (Registration of Certified Credits in the Arizona Emissions Bank) for procedures regarding registration of certified credits in the Arizona Emissions Bank.

**303 TRUCK STOP ELECTRIFICATION (TSE):** A regulatory generator that owns a private truck stop and uses truck stop electrification idle reduction technology to reduce long duration idling emissions:

**303.1** May apply to certify ERCs by meeting the following requirements:

- a. **Truck Stop Location:** The truck stop electrification idle reduction technology used to generate credits shall be installed at a private truck stop that is located within a nonattainment area within the jurisdiction of the MCAQD.
- b. **Quantification of Baseline Emissions:** The regulatory generator shall quantify baseline emissions from each electrified truck space following the calculation methodology in Appendix A (Calculations for Determining Emission Reductions from Each Electrified Truck Space).
- c. **Quantification of Emission Reductions:**
  - (1) The regulatory generator shall:
    - (a) Quantify the amount of emission reductions from each electrified truck space following the calculation methodology in Appendix A (Calculations for Determining Emission Reductions from Each Electrified Truck Space).
    - (b) Calculate the amount of emission reductions as rounded down to the nearest one tenth (1/10) of a ton.
  - (2) Calculations shall not include:
    - (a) Emission reductions created or used under any other emissions trading program, emission reductions used to satisfy the State Implementation Plan including transportation conformity requirements, emission reductions funded by the Diesel Emissions Reduction Act, or any emission reductions pursuant to a federal consent decree, or state and local settlements.



- (b) Emission reductions from the use of mobile idle reduction technology, such as auxiliary power units (APUs).

**303.2** Shall comply with all of the following monitoring, recordkeeping, and maintenance requirements:

- a. Emission Reduction Monitoring:** The regulatory generator shall monitor the continued generation of emission reductions using the following tamper-proof equipment:
  - (1) TSE-based dataloggers for recording truck plug-in and TSE runtime; and
  - (2) TSE-based electricity flow meters for recording TSE electricity consumption.
- b. Recordkeeping:** A regulatory generator is responsible for creating and maintaining records from the emission reduction monitoring as required in:
  - (1) Section 501 (Recordkeeping and Records Retention);
  - (2) Section 502 (Inspections); and
  - (3) Section 503 (Truck Stop Electrification (TSE) Records).
- c. Maintenance of Electrified Truck Stop Parking Space:** A regulatory generator shall maintain each electrified truck stop parking space used to generate certified credits for a minimum of thirty (30) years.

**304** **TRANSPORT REFRIGERATION UNIT (TRU):** A regulatory generator that reduces truck and trailer TRU emissions by using electricity to power electric standby equipped TRUs:

**304.1** May apply to certify ERCs by meeting the following requirements:

- a. Location:** Electric standby equipped TRUs shall be located within a nonattainment area located within the jurisdiction of the MCAQD.
- b. Quantification of Baseline Emissions:** The regulatory generator shall quantify baseline emissions from each electric standby equipped TRU following the calculation methodology in Appendix B (Calculations for Determining Emission Reductions from Each Electric Standby Equipped TRU).
- c. Quantification of Emission Reductions:**
  - (1) The regulatory generator shall:
    - (a) Quantify the amount of emission reductions from each electric standby equipped TRU following the calculation methodology in Appendix B (Calculations for Determining Emission Reductions from Each Electric Standby Equipped TRU).
    - (b) Calculate the amount of emission reductions as rounded down to the nearest one tenth (1/10) of a ton.
  - (2) Calculations shall not include emission reductions created or used under any other emissions trading program or emission reductions used to satisfy the State Implementation Plan including transportation conformity requirements, emission reductions funded by the Diesel Emissions Reduction Act, or any

emission reductions pursuant to a federal consent decree, or state and local settlements.

**304.2** Shall comply with all of the following monitoring, recordkeeping, and maintenance requirements:

**a. Emission Reduction Monitoring:** The regulatory generator shall monitor the continued generation of emission reductions by utilizing tamper-proof data acquisition systems installed on each TRU to quantify:

(1) The electric standby operation; and

(2) The associated electricity consumption.

**b. Recordkeeping:** A regulatory generator is responsible for creating and maintaining records from the emission reduction monitoring as required in:

(1) Section 501 (Recordkeeping and Records Retention);

(2) Section 502 (Inspections); and

(3) Section 504 (Transport Refrigeration Unit (TRU) Records).

**c. Maintenance of Electric Standby Equipped TRUs:** A regulatory generator shall maintain each electric standby equipped TRU used to generate certified credits for a minimum of thirty (30) years.

**305** **ONSITE EQUIPMENT:** A regulatory generator that owns a fleet of onsite equipment and electrifies all or part of the fleet to reduce emissions:

**305.1** May apply to certify ERCs by meeting the following requirements:

**a. Location:** The electrified onsite equipment used to generate credits shall be part of the same fleet and operated at the same location within a nonattainment area located within the jurisdiction of the MCAQD.

**b. Quantification of Baseline Emissions:** The regulatory generator shall quantify baseline emissions for each piece of onsite equipment following the calculation methodology in Appendix C (Calculations for Determining Emission Reductions from Each Piece of Onsite Equipment).

**c. Quantification of Emission Reductions:**

(1) The regulatory generator shall:

(a) Quantify the amount of emission reductions for each piece of onsite equipment following the calculation methodology in Appendix C (Calculations for Determining Emission Reductions from Each Piece of Onsite Equipment).

(b) Calculate the amount of emission reductions as rounded down to the nearest one tenth (1/10) of a ton.

(2) Calculations shall not include emission reductions created or used under any other emissions trading program, emission reductions used to satisfy the State Implementation Plan including transportation conformity requirements,

or any emission reductions pursuant to a federal consent decree, or state and local settlements.

**305.2** Shall comply with all of the following monitoring, repowering, removal/disposal, recordkeeping, and maintenance requirements:

- a. Monitoring of Equipment Use:** The regulatory generator shall monitor the use of all electrified equipment used to generate credits and all diesel and gasoline powered equipment used for the same purpose as the electrified equipment to verify that the electrified equipment is operated in the same manner as was represented in the emission reduction credit application.
- b. Repowering of Equipment to Electric:** Repowering equipment by converting a diesel or gasoline engine to an electric powered engine shall:
  - (1)** Be permanent.
  - (2)** Be repowered to only operate electrically.
- c. Removal/Disposal of Replaced Equipment:** Permanently remove any replaced diesel and or gasoline powered onsite equipment and engines from the nonattainment area or render the replaced equipment permanently disabled and dispose of in a manner that complies with all applicable local, state, and federal laws. The regulatory generator shall provide evidence of proper disposal upon request from the Control Officer or from the permitted source using the ERCs as offsets.
- d. Recordkeeping:** A regulatory generator is responsible for creating and maintaining records from the emission reduction monitoring as required in:
  - (1)** Section 501 (Recordkeeping and Records Retention);
  - (2)** Section 502 (Inspections); and
  - (3)** Section 505 (Onsite Equipment Records).
- e. Maintenance of Electrified Onsite Equipment:** A regulatory generator shall maintain each piece of electrified onsite equipment used to generate certified credits for a minimum of thirty (30) years.

**306** **REGISTRATION OF CERTIFIED CREDITS IN THE ARIZONA EMISSIONS**

**BANK:** The owner or operator of a permitted generator or a regulatory generator may register certified credits with the Arizona Emissions Bank. To register a certified credit:

**306.1** **Owner or Operator:** The owner or operator of a permitted generator or regulatory generator shall:

- a.** Indicate on the MCAQD emission reduction credit application their plan to register the certified credits in the Arizona Emission Bank; and
- b.** Open an Arizona Emissions Bank account per A.A.C. R18-2-1206.A.

**306.2** **Control Officer:** The Control Officer shall notify the ADEQ of the number of certified credits issued to the permitted generator or regulatory generator on a form prescribed by the ADEQ.

**307 USE OF THE CERTIFIED CREDITS:**

**307.1 Certified Credits Registered in the Arizona Emissions Bank:**

- a. An account holder who intends to use the certified credits held in its account as offsets shall file an application to use the certified credits on the form prescribed by the ADEQ.
- b. On approval of the application, the ADEQ shall:
  - (1) Issue a certificate to the account holder representing the number of certified credits that may be included in the permit or permit revision application of the stationary source;
  - (2) Notify the Control Officer of the issuance of the certificate; and
  - (3) Change the status of the certified credits to use approved.
- c. The Control Officer shall provide notice to the ADEQ of the final action on the stationary source's application for a permit or for a permit revision.
- d. Reductions in qualifying emissions reflected in the number of certified credits shall be implemented before actual construction of the new stationary source or modification begins.

**307.2 Certified Credits Not Registered in the Arizona Emissions Bank:**

- a. The owner or operator of a stationary source who intends to use certified credits that are not registered in the Arizona Emissions Bank as offsets shall:
  - (1) Notify the MCAQD of the intention to use the certified credits as an offset to meet emission limits; and
  - (2) Submit the certificate of issued certified credits to the MCAQD in conjunction with a stationary source permit application or permit revision.
- b. The Control Officer shall either:
  - (1) Approve the use of the certified credits as offsets and:
    - (a) Notify the owner or operator of the number of certified credits that may be included in the permit or permit revision application of the stationary source; and
    - (b) If there are any remaining available certified credits, the Control Officer will reissue the certificate with a sequential revision number. This will provide documentation on the availability of the remaining certified credits.
  - (2) Deny the use of use of the certified credits for offsets and:
    - (a) Provide written notification of the reason for denying the use of the certified credits as offsets; and
    - (b) Return the certificate of issued certified credits to the owner or operator of the stationary source.

## SECTION 400 - ADMINISTRATIVE REQUIREMENTS ~~(NOT APPLICABLE)~~

### 401 OFFSET INTEGRITY RESPONSIBILITIES:

**401.1** Every six (6) months, a permitted source that uses certified credits from a regulatory generator as offsets shall:

- a. Obtain copies of the records from the regulatory generator required under Section 500 (Monitoring and Records).
- b. Ensure the records correspond to the semi-annual compliance reporting time frame required by the permit holder's Title V Air Quality Operating Permit.
- c. Review the records to verify that the emission reductions generated by the regulatory generator equal the amount of certified credits used as offsets for the permitted source.
- d. Include the regulatory generator records in the semi-annual report.

**401.2** Every six (6) months, a permitted source that uses certified credits from a plan generator as offsets shall:

- a. Obtain copies of the records the plan generator is required to maintain per the Arizona State Implementation Plan.
- b. Ensure the records correspond to the semi-annual compliance reporting time frame required by the permit holder's Title V Air Quality Operating Permit.
- c. Review the records to verify that the emission reductions generated by the plan generator equal the amount of certified credits issued by ADEQ for use as offsets.
- d. Include the plan generator records in the semi-annual report.

#### **401.3** Offset Shortage:

- a. If a permitted source determines emission reductions being generated by the regulatory generator or plan generator are less than the amount of certified credits the permitted source used to obtain their New Source Review (NSR) permit, the permitted source shall:
  - (1) Notify the Control Officer by phone within 24 hours of the discovery.
  - (2) Submit written notice:
    - (a) Within 72 hours from the date of discovery documenting the shortage of emission reductions to the Control Officer. The written notice may be submitted by mail, email, facsimile, commercial delivery, or hand delivery.
    - (b) To include:
      - (i) A description of the shortage of emission reductions.
      - (ii) Steps taken to mitigate the emissions to compensate for the shortage of emission reductions.

- (3) Within 72 hours from the date of discovery, limit operations to compensate for the shortage in emission reductions.
- (4) Compensate for the ongoing shortage of emission reductions by submitting a permit application within 90 days that meets one of the following:
  - (a) Limits emissions.
  - (b) Provides replacement offsets.
  - (c) Is a combination of (a) and (b).
- b. A permitted source that operates without adequate offsets is in violation of these rules.

## **SECTION 500 - MONITORING AND RECORDS ~~(NOT APPLICABLE)~~**

- 501 RECORDKEEPING AND RECORDS RETENTION:** Records and data required by this section shall be:
- 501.1** Kept on site at all times by the generator in a consistent and complete manner, in either electronic or paper format.
  - 501.2** Made available upon request and without delay to the owner or operator of the permitted source utilizing the certified credits and the Control Officer or his designee.
  - 501.3** Maintained for five years beyond the use or retirement of the credit.
- 502 INSPECTIONS:** A generator shall provide the Control Officer with access to the premises for the purpose of conducting an inspection to verify compliance with this rule. An inspection may include, but is not limited to, a review of records and reports.
- 503 TRUCK STOP ELECTRIFICATION (TSE) RECORDS:** A regulatory generator shall maintain the following records:
- 503.1 Inventory Records:** A detailed inventory of fleet trucks used to generate credits shall include all of the following:
    - a. For each fleet truck utilizing the private truck stop provide:
      - (1) Fleet identification number.
      - (2) The truck manufacturer.
      - (3) Truck model.
      - (4) Truck model year.
    - b. Information on sources used to obtain idling speed, idling emission rate, or fuel use rate for each truck engine when used to calculate emission reduction credits.
    - c. The date each truck was:
      - (1) Added to the inventory.
      - (2) Removed from the inventory.

- d. Monthly: The regulatory generator shall review and, if necessary, update the equipment inventory.

#### **503.2 Operational Records:**

- a. Daily: The regulatory generator shall record the number of hours, as rounded to the nearest quarter hour, the idle reduction technology is used for each electrified parking space using TSE-based dataloggers for recording truck plug-in and TSE runtime.
- b. Monthly: The regulatory generator shall record all of the following for each calendar month:
  - (1) The number and availability of electrified truck stop spaces.
  - (2) Dates and description of maintenance and repairs to the idle reduction technology conducted at each electrified truck space.
  - (3) An electricity consumption record for each electrified truck space.

#### **503.3 Emission Reductions Records:** Within fifteen (15) days of the end of each month, the regulatory generator shall:

- a. Calculate the amount of emission reductions generated from each electrified truck space during the preceding month using the methodology in Appendix A (Calculations for Determining Emission Reductions from Each Electrified Truck Space).
- b. Calculate a rolling twelve (12) month total of emission reductions.
- c. If the rolling 12-month total is less than the amount of emission reduction credits originally certified, the regulatory generator shall, within 24 hours, notify:
  - (1) The Control Officer; and
  - (2) The permitted source relying on the certified credits as offsets.

#### **504 TRANSPORT REFRIGERATION UNIT (TRU) RECORDS:** A regulatory generator shall maintain the following records:

##### **504.1 Inventory Records:** A detailed inventory of fleet electric standby equipped truck and or trailer TRUs used to generate credits shall include all of the following:

- a. For each electric standby equipped truck and or trailer TRU used to generate credits the following:
  - (1) Fleet identification number.
  - (2) The TRU manufacturer.
  - (3) The TRU model.
  - (4) The TRU model year.
- b. The date each electric standby equipped truck and or trailer TRU was:
  - (1) Added to the inventory.

(2) Removed from the inventory.

- c. Monthly: The regulatory generator shall review and, if necessary, update the equipment inventory.

**504.2 Operational Records:**

- a. Daily: For each electric standby equipped TRU, the regulatory generator shall record the number of hours, as rounded to the nearest quarter of an hour, the electric standby equipped TRU utilizes electric power.

- b. Monthly: The regulatory generator shall record:

(1) The date and a description of maintenance and repairs to each:

(a) Electrical standby equipped TRU.

(b) Electric power connection.

(2) Electricity consumption records for each electric standby equipped TRU.

**504.3 Emission Reductions Records:** Within fifteen (15) days of the end of each month, the regulatory generator shall:

- a. Calculate the amount of emission reductions generated from each electric standby equipped TRU during the preceding month using the methodology in Appendix B (Calculations for Determining Emission Reductions from Each Electric Standby Equipped TRU).

- b. Calculate a rolling twelve (12) month total of emission reductions.

- c. If the rolling 12-month total is less than the amount of emission reduction credits originally certified, the regulatory generator shall, within 24 hours, notify:

(1) The Control Officer; and

(2) The permitted source relying on the certified credits as offsets.

**505 ONSITE EQUIPMENT RECORDS:** A regulatory generator shall maintain the following records:

**505.1 Electrified Fleet Inventory Records:** A detailed inventory of all electrified fleet onsite equipment used to generate credits shall include all of the following:

- a. For each piece of onsite equipment, provide all of the following:

(1) The equipment manufacturer.

(2) The model number.

(3) The model year.

(4) The equipment category.

(5) A description of the equipment.

- b. Information on sources used to obtain family or test group, fuel capacities, and emission rates of each onsite equipment engine when used to calculate emission reduction credits.



c. The date each piece of onsite equipment was:

- (1) Added to the inventory.
- (2) Repowered.
- (2) Removed from the inventory.

**505.2 Diesel and Gasoline Fleet Inventory Records:** A detailed inventory of all fleet diesel and gasoline powered onsite equipment used for the same purpose as electrified equipment that includes all of the following:

a. For each piece of onsite equipment, provide all of the following:

- (1) The equipment manufacturer.
- (2) The model number.
- (3) The model year.
- (4) The equipment category.
- (5) A description of the equipment.
- (6) Fuel type.

b. The date each piece of onsite equipment was:

- (1) Added to the inventory.
- (2) Repowered.
- (3) Removed from the inventory.

**505.3 Monthly:** The regulatory generator shall review and, if necessary, update the equipment inventory.

**505.4 Operational Records:**

a. **Monthly:** For each electrified piece of onsite equipment used to generate credits, the regulatory generator shall record a description of all maintenance and repairs and at least one of the following to demonstrate the equipment is used in the same manner as was represented in the emission reduction credit application:

- (1) Hours of operation.
- (2) Mileage accrued.
- (3) Electricity consumed.

b. **Monthly:** For each piece of conventionally-fueled onsite equipment that can be used for the same purpose as the electrified piece of equipment used to generate credits, the regulatory generator shall record a description of all maintenance and repairs and at least one of the following:

- (1) Hours of operation.
- (2) Mileage accrued.
- (3) Fuel consumed.

## APPENDIX A

### CALCULATIONS FOR DETERMINING EMISSION REDUCTIONS FROM EACH ELECTRIFIED TRUCK SPACE

- A.** Baseline Emissions = Annual Utilization (hrs) × Truck Idling Pollutant Emission Factor (g/hr)
1. Where g is grams of pollutant and hr is hour or hours.
  2. The truck idling pollutant emissions factor is the Model Year 2007 emission rate or the most recent applicable federal truck emission standard.
  3. Annual utilization is the aggregate number of hours (annual average using historical data for most recent and representative two-year period) of actual long duration idling that is directly displaced by truck stop electrification utilization for the truck type. Where available, these data shall be obtained from truck telematics or datalogging data. If such data are unavailable, the applicant shall submit data logs, records, or receipts showing length of time fleet trucks have been resident at the private truck stop location to be equipped with TSE, and the periods of time truck engines were operated at those locations.
  4. The above calculations yield gm/year. To obtain tons/yr, the regulatory quantity, multiply by  $1.1 \times 10^{-6}$ .
- B.** Post project emissions for truck stop electrification utilization (elimination of truck idling while operating on electricity) is zero. The regulatory generator shall propose a factor for TSE utilization (i.e. the proportion of eligible truck idling time that, on an annual average, will be used each electrified truck space.) This proportion will become an enforceable limit on each certified credit.
- C.** The amount of eligible emission reduction credits for each electrified truck space is determined by subtracting post project emissions from baseline emissions.

## APPENDIX B

### CALCULATIONS FOR DETERMINING EMISSION REDUCTIONS FROM EACH ELECTRIC STANDBY EQUIPPED TRU

- A.** Baseline Emissions = Rated HP × Load Factor × Annual Utilization (hrs/year) × Pollutant Emission Factor (g/hp-hr)
- 1.** Where g is grams of pollutant, hp is horsepower, and hr is hour or hours.
  - 2.** Pollutant emissions factor is the emission rate allowed by the federal standard currently applicable to the source category to which the TRU equipment belongs.
  - 3.** Rated HP is the TRU engine power rating as certified by the manufacturer in meeting the currently applicable federal standard.
  - 4.** Load factor is the unitless fraction of the engine's rated power that is utilized in performing an average annual duty cycle and is derived from actual operational data.
  - 5.** Annual utilization is the aggregate number of hours (annual average using historical data for most recent and representative two-year period) of actual TRU utilization that is directly displaced by the use of electric standby equipped TRU and electricity from the electric power grid.
  - 6.** The above calculations yield gm/year. To obtain tons/yr, the regulatory quantity, multiply by  $1.1 \times 10^{-6}$ .
- B.** Post project emissions for all-electric equipment is zero.
- C.** The amount of eligible emissions reductions credits for each TRU is determined by subtracting post project emissions from baseline emissions.

## APPENDIX C

### CALCULATIONS FOR DETERMINING EMISSION REDUCTIONS FROM EACH PIECE OF ONSITE EQUIPMENT

- A.** Baseline Emissions = Rated HP × Load Factor × Annual Utilization (hrs/year) × Pollutant Emission Factor (g/hp-hr)
- 1.** Where g is grams of pollutant, hp is horsepower, and hr is hour or hours.
  - 2.** Pollutant emissions factor is the emission rate allowed by the federal standard currently applicable to the source category to which the equipment belongs.
  - 3.** Rated HP is the onsite equipment engine power rating as certified by the manufacturer in meeting the currently applicable federal standard.
  - 4.** Load factor is the unitless fraction of the engine's rated power that is utilized in performing an average annual duty cycle and is derived from the last two years of actual operational data.
  - 5.** Annual utilization is the aggregate number of hours (annual average using historical data for the most recent and representative two-year period) of actual onsite equipment utilization.
  - 6.** The above calculations yield gm/year. To obtain tons/yr, the regulatory quantity, multiply by  $1.1 \times 10^{-6}$ .
- B.** Post project emissions for all-electric equipment is zero.
- C.** The amount of eligible emission reduction credits for each electrified piece of onsite equipment is determined by subtracting post project emissions from baseline emissions.

**REVISION TO THE ARIZONA STATE IMPLEMENTATION PLAN (SIP)**

**RULE 204 OF THE MCAPCR**

**APPENDIX 5:  
NOTICE OF BOARD OF HEALTH MEETING TO MAKE RECOMMENDATION TO  
THE BOARD OF SUPERVISORS**



Enhanced Regulatory Outreach Program  
Maricopa County Air Quality Department

**Notice of Board of Health Meeting**  
**Rule 204 (Emission Reduction Credits for**  
**Use with the Arizona Emissions Bank)**

**Date/Time:** Monday, October 28, 2019, at 3:00 p.m.  
**Location:** Board of Supervisors' Conference Room, 10<sup>th</sup> Floor  
301 W. Jefferson Street, Phoenix, Arizona 85003

---

The Maricopa County Board of Health will host a public meeting to review the proposed revisions to Maricopa County Air Pollution Control Regulation II - **Rule 204 (Emission Reduction Credits for Use with the Arizona Emissions Bank)**. The staff report is attached to this notice. After reviewing the proposed rule revisions, the Board of Health will vote on making a recommendation to the Board of Supervisors to approve the revisions to Rule 204.

You may comment on the proposed rule at: <http://www.maricopa.gov/FormCenter/Regulatory-Outreach-17/Citizen-Comments-94>.

AQ-2017-011-Rule 204 (Emission Reduction Credits for Use with the Arizona Emissions Bank)

The Maricopa County Air Quality Department (MCAQD) is proposing to revise Rule 204 to include provisions for the generation, certification, and utilization of emission reduction credits from nontraditional sources that use truck stop electrification, electric standby equipped transport refrigeration units, or electric onsite equipment to generate emission reduction credits. The MCAQD is also proposing revisions to align the rule with the revisions made to the Arizona Emissions Bank rules by the ADEQ.

MCAQD will take reasonable measures to provide access to department services to individuals with limited ability to speak, write, or understand English and/or to those with disabilities. Requests for language interpretation services or for disability accommodations must be made at least 48 hours in advance by contacting: (602) 506-6443.

MCAQD tomará medidas razonables para proveer acceso a los servicios del departamento para personas con capacidad limitada para hablar, escribir o entender Inglés y / o para las personas con discapacidad. Las solicitudes de servicios de interpretación del lenguaje o de alojamiento de discapacidad deben hacerse por lo menos 48 horas de antelación poniéndose en contacto con: (602) 506-6443.

**REVISION TO THE ARIZONA STATE IMPLEMENTATION PLAN (SIP)**

**RULE 204 OF THE MCAPCR**

**APPENDIX 6:  
BOARD OF HEALTH RECOMMENDATION TO THE BOARD OF  
SUPERVISORS**

## MARICOPA COUNTY BOARD OF HEALTH MEETING MINUTES

Monday, October 28, 2019 at 3:00 pm  
205 W. Jefferson Street, Phoenix, Arizona 85003  
Board of Supervisors Auditorium

Vice President MacMillan called the meeting to order at 3:00 p.m.

### ROLL CALL:

#### Members Present:

Don Cassano  
Don Hughes  
Kristen Acton – via phone  
Nedra Halley  
Scott Celley  
Debra Baldauff  
Paul Stander – via phone

#### Members Not Present:

Robert MacMillan  
Andrew Rascon  
Chairman Bill Gates

Ex-Officio: Marcy Flanagan

### CALL TO THE PUBLIC:

President Hughes announced that we have speaker slips for anyone wishing to speak on any action items. Speakers will be called after the item is heard. Each speaker will have 2 minutes to speak. President Hughes asked if there were any speakers that requested to speak at today's meeting. Ms. Bonham responded that she has not received any speaker slips.

### DISCUSSION/ACTION ITEMS

1. **Approval of Minutes:** President Hughes asked for a motion to approve the minutes from the BOH Meeting held on July 23, 2019. Motion was made by Mr. Cassano to approve the BOH minutes as presented. Motion was seconded by Ms. Halley and all were in favor. The motion passed unanimously.

2. **Appointment for Board of Health Finance Committee vacancy**

President Hughes

President Hughes explained that the vacancy on the Finance Committee needed to be filled. The Finance Committee meets 30 minutes prior to the Board of Health meeting. Dr. Stander said he would be interested in being on the Finance Committee. Dr. Stander was appointed to fill the vacancy on the Board of Health Finance Committee.

3. **Fee Waiver Process Change Presentation**

Ms. Darcy Kober  
Mr. Ken Conklin

Ms. Darcy Kober and Mr. Ken Conklin presented on the Fee Waiver Process Change.

Clarification of Responsibilities

Maricopa County Environmental Services Department (MCESD)

- Processes fee waiver applications.
- Applicants complete and submit substantiating documentation. MCESD places completed fee waiver applications with substantiating documentation on a BOH meeting agenda as an action item for review.

BOH

- Has the authority to grant fee waivers.



- Receives completed fee waiver applications and substantiating documentation from the MCESD including a staff report.
- Votes to approve or disapprove MCESD submitted fee waivers at a scheduled BOH meeting.

Environmental Services revised the online fee waiver application.

Fee Waiver Qualifying Criteria

1. A charitable nonprofit establishment that operates to provide relief solely for the poor, distressed or under-privileged.
2. The operator must maintain a current 501(c)(3) tax exempt designation from the Department of the Treasury, Internal Revenue Service.
3. The operator must demonstrate to the Board of Health that payment of said fee will cause financial hardship.

Fee Waiver MCEHC Criteria – When Questionable:

- Contact Applicant
- Clarify Fee Waiver Requirement Criteria
- Inform Applicant of BOH Open Meeting Option

Staff Report Created and Submitted to BOH - Contains a description of the criterion (criteria) that was not met.

Substantive Policy Statements (SPS) - Written to clarify fee waiver interpretations.

Fee Waiver - Substantive Policy Statements (SPS)

An SPS is advisory only. In accordance with A.R.S. §11-1601, SPSs do not include internal procedural documents that only affect internal procedures of the Maricopa Environmental Services Department (Department) and do not impose additional requirements or penalties on regulated parties or provide confidential information.

New Fee Waiver SPSs:

- Clarify the Department's role processing permit fee waivers
  - Clarify Financial Hardship
- Current Fee Waiver SPS:
- Fee Waived Food Employee Certificate

#### 4. Fee Waiver Briefing – 30 Fee Waiver Applications

**Ms. Jeannie Taylor**

Ms. Jeannie Taylor presented thirty (30) fee waivers for review and consideration of approval. Twenty-six (26) nonprofit organizations and four (4) sponsoring school districts with completed fee waiver applications for the Board of Health's review. A summary sheet document was provided.

Jeannie explained that the Environmental Services Department staff reviewed thirty (30) fee waiver applications to be presented to the Board for approval/denial. Based on the information provided during the application process, all listed permitted operations appear to meet the criteria set forth in the Maricopa County Environmental Health Code Chapter 1, Regulation 5, except for Partnership with Parents Inc. (DBA Desert Heights Charter School), Ahwatukee American Little League and Peoria Unified School District. The Desert Heights Charter School does not meet the criteria because they do not solely operate to provide relief to the poor, distressed or under-privileged. Solely is interpreted as 100% of the proceeds. The Ahwatukee American Little League does not meet the criteria because they do not solely operate to provide relief to the poor, distressed or under-privileged. Solely is interpreted as 100% of the proceeds. The Peoria Unified School District does not meet the criteria because they do not maintain a 501(c)(3) designation with the Internal Revenue Service.

**Motion to approve all fee waiver applications except P15 – Desert Heights Charter School, P22 – Ahwatukee American Little League and P 23 – Peoria Unified school District. Motion was made by Mr. Ceeley, seconded by Mr. Cassano and all were in favor. The motion passed unanimously.**

5. **Recommendation to the Board of Supervisors to approve the proposed revisions to AQ-2017-010-NSR the New Source Review (NSR) rules, AQ-2017-010-Rule 510 (Air Quality Standards), and AQ-2017-011-Rule 204 (Emission Reduction Credits for Use with the Arizona Emissions Bank)**

**Mr. Gregory Verkamp  
Ms. Kimberly Butler**

**AQ-2017-010-NSR (New Source Review):** NSR is a permitting program that requires businesses to get an air pollution control permit before they start construction or make major modifications to their business. The Maricopa County Air Quality Department (MCAQD) is proposing to revise the NSR rules to remedy eight deficiencies identified by the EPA and to address Stakeholder and Staff comments and the EPA's recommended clarifications.

**Motion was made by Mr. Cassano for the recommendation to the Board of Supervisors to approve the proposed revisions to AQ-2017-010-NSR the New Source Review (NSR) rules. Motion was seconded by Ms. Halley and the motion passed unanimously.**

**AQ-2017-010-Rule 510 (Air Quality Standards):** The MCAQD is proposing to revise Rule 510 to update the list of air quality standards that are applicable within Maricopa County. These changes will align rule 510 with the portions of A.A.C. R18-2-201 through 206 (Ambient Air Quality Standards) and 40 CFR 50 (National Primary and Secondary Ambient Air Quality Standards) that are applicable within Maricopa County.

**Motion was made by Ms. Halley for the recommendation to the Board of Supervisors to approve the proposed revisions to AQ-2017-010-Rule 510 (Air Quality Standards). Motion was seconded by Dr. Baldauff and the motion passed unanimously.**

**AQ-2017-011-Rule 204 (Emission Reduction Credits for Use with the Arizona Emissions Bank):** The MCAQD is proposing to revise Rule 204 to include provisions for the generation, certification, and utilization of emission reduction credits (ERCs) from nontraditional sources that use truck stop electrification, electric standby equipped transport refrigeration units, or electric onsite equipment to generate ERCs. The MCAQD is also proposing revisions to align the rule with the revisions made to the Arizona Emissions Bank rules by the ADEQ.

**Motion was made by Mr. Celley for the recommendation to the Board of Supervisors to approve the proposed revisions to AQ-2017-011-Rule 204 (Emission Reduction Credits for Use with the Arizona Emissions Bank) Motion was seconded by Ms. Halley and the motion passed unanimously.**

6. **Approval of the initiation of regulator change for Ordinance P-7 (Maricopa County Trip Reduction Ordinance)**

**Mr. Gregory Verkamp  
Ms. Kimberly Butler**

**AQ-2019-005-P7 (Maricopa County Trip Reduction Ordinance):** The MCAQD is proposing to revise Ordinance P-7 to reflect changes to the program since the last revision in 1997, including streamlining the information on equivalent emissions reduction (EER) measures and credits and incorporating six existing Substantive Policy Statements (SPS) into the ordinance. The revisions will also reduce redundant language that already exists in state statute and restructure the ordinance for consistency with MCAQD's other adopted ordinances.

**Motion was made by Mr. Cassano for approval of the initiation of regulator change for Ordinance P-7 (Maricopa County Trip Reduction Ordinance) Motion was seconded by Ms. Halley and the motion passed unanimously.**

## Discussion Items:

1. Public Health Report
  - I. Human Resources
  - II. Communication
  - III. Infrastructure
  - IV. Strategic Planning
  - V. Programs
  - VI. Disease Update
  - VII. Future Topics

Marcy Flanagan, Max Porter & Dr. Rebecca Sunenshine

Marcy Flanagan gave the Director Updates.

### Hepatitis A Update Outbreak Summary

Maricopa County Hepatitis A Update through 10/28/19

324 Confirmed cases

1 Case Pending Investigation

4 Cases in last week

275 (85%) Cases with risk factors (Risk factors include homelessness or unstable housing, illicit substance use or incarceration in the last year.

48 (15%) Cases with no known risk factors

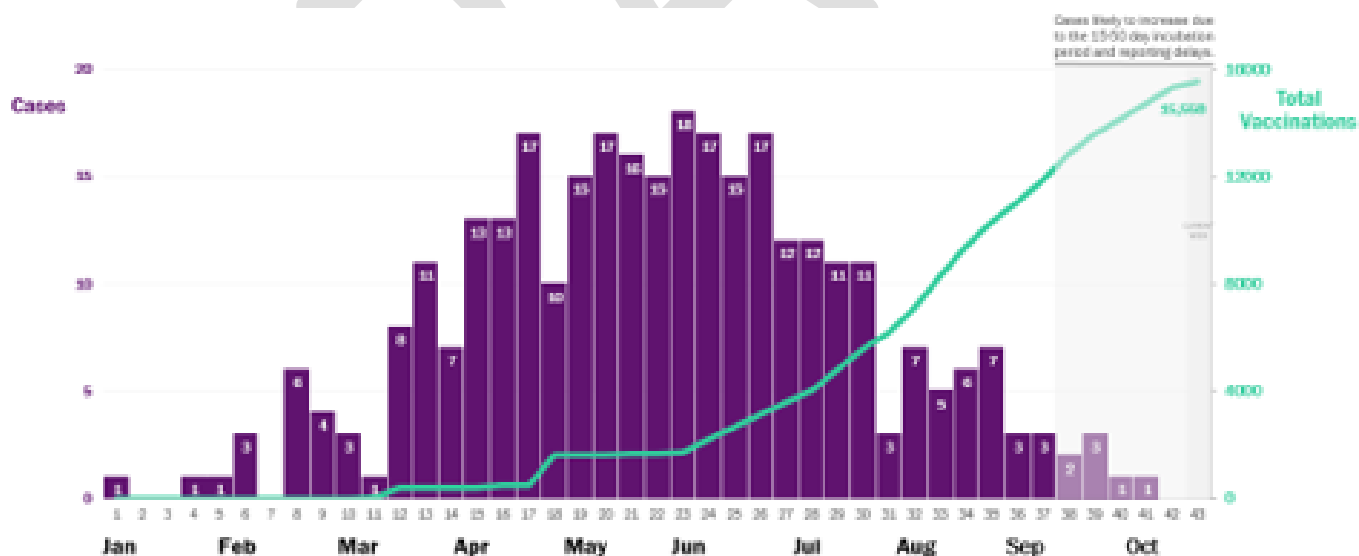
271 (84%) Hospitalizations

4 (1%) Deaths

15,934 Vaccines administered

21-94 (39) Age range (median)

7/13/18-10/10/19 Illness onset range



## **Hepatitis A Outbreak Response Highlights**

- Over 500 volunteers have been incorporated into this response including licensed healthcare workers

### **Vaccination in jails:**

- Every inmate who is able to consent is offered vaccine at intake 24/7 since August 2019
- Entirely staffed by temporary employees
- Over 10,000 vaccinated in the jail system
- % previously vaccinated in the jails has risen from 17% in June to 30% in October

### **Vaccination at community events:**

- Currently focusing on Medical Assisted Treatment facilities (CMS, Terros, Mercy Care)
- Partnering with Maricopa County Adult Probation

### **Vaccination in the field:**

- Partnered with Police, Fire and Parks in City of Phoenix, Tempe, Chandler and Scottsdale
- Working to focus on West Phoenix, Glendale and Southwest where recent cases have been identified

Note: The outbreak will be considered over when we confirm an average of 1 case per week for 8 weeks (two average incubation periods)

## **Mumps Outbreak Summary**

- 7 cases of mumps (3 confirmed and 4 probable) have been identified since August 2019
- We typically have 0-11 cases (average 5.6) per year
- Age range 17-53 years; Median 42 years; Mean 37 years
- Symptom onset dates from 8/9/19 – 10/3/19
- There is no link or commonality that connects all/ most cases meaning community spread is likely
- We are offering a 3<sup>rd</sup> dose of mumps vaccine to household members of cases, which is supported by CDC

## **School Vaccination Rates and Immunization Education Module Pilot Results**

We expect to get the most recent school immunization rates in mid-November. We plan to have a preliminary analysis of participating Maricopa County schools comparing immunization rates this year to last year by the end of the calendar year.

## **Overdose Data to Action Grant**

- MCDPH has been awarded a \$2.5 million grant to address substance use in the county.
- The goals are to enhance substance use surveillance and use the information to implement and improve prevention programs.
- Activities will be split between the Office of Epi and Program Operations / Office of Healthcare Innovations
- A total of 20 new positions will be created as part of this grant (7 in the Office of Epidemiology; 2 Prescription Drug Monitoring Program Epidemiologists at the Board of Pharmacy; and 11 positions in the MCDPH Office of Healthcare Innovations.
- This grant is separate from the grant dollars awarded to ADHS for opioids

## ANNOUNCEMENTS AND CURRENT EVENTS

- Next meeting is January 27, 2020

**ADJOURNMENT:** There being no further business, motion to adjourn the meeting was made by Ms. Halley, seconded by Mr. Cassano and motion was passed unanimously. The meeting was adjourned at 4:15PM.

DRAFT

**REVISION TO THE ARIZONA STATE IMPLEMENTATION PLAN (SIP)**

**RULE 204 OF THE MCAPCR**

**APPENDIX 7:  
NOTICE OF PUBLIC HEARING**

PNI-Arizona Business Gazette

**AFFIDAVIT OF PUBLICATION**

**MC AIR QUALITY DIV  
3800 N CENTRAL AVE SUITE 1400  
PHOENIX, AZ 85012**

Order # 0003874728 # of Affidavits 1

P.O # AQ-2019-011-R204

Published Date(s):

11/07/19, 11/14/19

**STATE OF WISCONSIN  
COUNTY OF BROWN**

} **SS.**

I, being first duly sworn, upon oath deposes and says: That I am the legal clerk of the Arizona Republic, a newspaper of general circulation in the counties of Maricopa, Coconino, Pima and Pinal, in the State of Arizona, published weekly at Phoenix, Arizona, and that the copy hereto attached is a true copy of the advertisement published in the said paper on the dates indicated.

*Ashley Pearson*  
Sworn to before me this

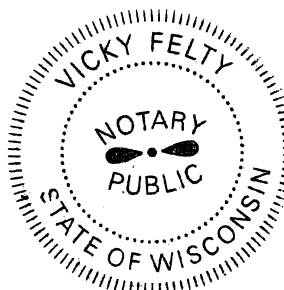
14 TH day of  
NOVEMBER 2019

*Vicky Felty*  
Notary Public

My Commission expires: 9-19-21

**NOTICE OF PUBLIC HEARING FOR  
MARICOPA COUNTY AIR  
POLLUTION CONTROL  
REGULATIONS AND STATE  
IMPLEMENTATION PLAN (SIP)  
REVISION**

NOTICE IS HEREBY GIVEN that the Maricopa County Board of Supervisors will conduct a public hearing on December 11, 2019 at 9:30 a.m. to solicit comments on the proposed revisions to Maricopa County Air Pollution Control Regulations and the associated proposed revision to the Arizona State Implementation Plan (SIP). The Maricopa County Air Quality Department is proposing to revise Rule 204 (Emission Reduction Credits for Use with the Arizona Emissions Bank) and to submit the revised rule as a revision to the Arizona SIP. The public hearing will be held at the Maricopa County Board of Supervisors' Auditorium, 205 West Jefferson St., Phoenix, Arizona. For more information regarding this rulemaking, please refer to the Report to the Board of Supervisors, available at <http://www.maricopa.gov/3536/Active-Regulatory-Processes> under item number AQ-2017-011-Rule 204. Copies of the Report to the Board of Supervisors, the final draft rule, and the SIP submittal will also be available at least 30 days prior to the hearing for public inspection at the offices of the Maricopa County Air Quality Department, 3800 N. Central Avenue, Suite 1400, Phoenix, Arizona 85012. MCAQD will take reasonable measures to provide access to department services to individuals with limited ability to speak, write, or understand English and/or to those with disabilities. Requests for language interpretation services or for disability accommodations must be made at least 48 hours in advance by contacting: 602-506-6443. MCAQD tomará medidas razonables para proveer acceso a los servicios del departamento para personas con capacidad limitada para hablar, escribir o entender Inglés y / o para las personas con discapacidad. Las solicitudes de servicios de interpretación del lenguaje o de alojamiento de discapacidad deben hacerse por lo menos 48 horas de antelación poniéndose en contacto con: 602-506-6443.  
Pub: Nov 7, 14, 2019





**Enhanced Regulatory Outreach Program  
Maricopa County Air Quality Department**

**Notice of Public Hearing  
Rule 204 (Emission Reduction Credits for  
Use with the Arizona Emissions Bank)**

**Date/Time: Wednesday, December 11, 2019 at 9:30 a.m.**

**Location: Board of Supervisors' Auditorium  
205 W. Jefferson St., Phoenix, Arizona**

---

The Maricopa County Board of Supervisors is scheduled to conduct a public hearing to solicit comments on the proposed revisions to Maricopa County Air Pollution Control Regulation II - Rule 204 (Emission Reduction Credits for Use with the Arizona Emissions Bank).

You may comment on the proposed rule at: <http://www.maricopa.gov/FormCenter/Regulatory-Outreach-17/Citizen-Comments-94>.

AQ-2017-011-Rule 204 (Emission Reduction Credits for Use with the Arizona Emissions Bank)

The Maricopa County Air Quality Department (MCAQD) is proposing to revise Rule 204 to include provisions for the generation, certification, and utilization of emission reduction credits from nontraditional sources that use truck stop electrification, electric standby equipped transport refrigeration units, or electric onsite equipment to generate emission reduction credits. The MCAQD is also proposing revisions to align the rule with the revisions made to the Arizona Emissions Bank rules by the Arizona Department of Environmental Quality.

For more information regarding this rulemaking, please refer to the Report to the Board of Supervisors, available at: <http://az-maricopacounty.civicplus.com/3536/Active-Regulatory-Process>. Copies of the Report to the Board of Supervisors, the final draft rule, and the SIP submittal will also be available at least 30 days prior to the hearing for public inspection at the offices of the Maricopa County Air Quality Department, 3800 N. Central Ave. Suite 1400, Phoenix, Arizona 85012.

MCAQD will take reasonable measures to provide access to department services to individuals with limited ability to speak, write, or understand English and/or to those with disabilities. Requests for language interpretation services or for disability accommodations must be made at least 48 hours in advance by contacting: 602-506-6443.

MCAQD tomará medidas razonables para proveer acceso a los servicios del departamento para personas con capacidad limitada para hablar, escribir o entender Inglés y / o para las personas con discapacidad. Las solicitudes de servicios de interpretación del lenguaje o de alojamiento de discapacidad deben hacerse por lo menos 48 horas de antelación poniéndose en contacto con: 602-506-6443.



**REVISION TO THE ARIZONA STATE IMPLEMENTATION PLAN (SIP)**

**RULE 204 OF THE MCAPCR**

**APPENDIX 8:  
BOARD OF SUPERVISORS' APPROVAL**

# COUNTY OF MARICOPA

*State of Arizona*

## *Office of the Clerk*

*Board of Supervisors*

*State of Arizona* ) ss.  
*County of Maricopa* )

*I, Debra Schaffer, Deputy Clerk of the Board of Supervisors, do hereby certify that the attached is a true and correct statement of the agenda item and the action taken by the Board of Supervisors at their meeting held on December 11, 2019:*

17. AQ-2017-011-RULE 204 (EMISSION REDUCTION CREDITS FOR USE WITH THE ARIZONA EMISSIONS BANK)

*(Please see attached)*



*IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of the County of Maricopa. Done at Phoenix, the County Seat on December 13, 2019*

*Debra Schaffer*  
*Deputy Clerk of the Board of Supervisors*

*File*  
*Air Quality Department*

**DO NOT REMOVE**  
**This is part of the official document**

**17. AQ-2017-011-RULE 204 (EMISSION REDUCTION CREDITS FOR USE WITH THE ARIZONA EMISSIONS BANK)**

Pursuant to A.R.S. §49-479(b), convene the scheduled public hearing, to solicit comments and consider the adoption of the proposed revision of Maricopa County Air Pollution Control Regulation II-Permits and Fees, Rule 204 (Emission Reduction Credits for Use with the Arizona Emissions Bank) and the associated proposed revision to the Arizona State Implementation Plan (SIP). Following the public hearing, the Board is requested to adopt the proposed amendments to Rule 204 and to approve submission of the amended rule as a revision to the Arizona SIP. Upon Board approval, this item will become effective December 11, 2019.

The Maricopa County Air Quality Department (MCAQD) is proposing to revise Rule 204 (Emission Reduction Credits for Use with the Arizona Emissions Bank) and is proposing to submit the revised rule as a revision to the Arizona SIP. Rule 204 implements procedures for the certification and utilization of emission reduction credits (ERCs) generated from permitted sources emitting particulate matter, sulfur dioxide, carbon monoxide, nitrogen oxides, or volatile organic compounds. Participation in the generation, certification, and utilization of ERCs is voluntary; however, when a source chooses to generate, certify, or utilize ERCs they must do so in compliance with the applicable provisions of Rule 204. In 2017, the Arizona State Legislature amended A.R.S. § 49-410 to allow for the generation, certification, and utilization of ERCs from nontraditional (non-permitted) sources. ADEQ followed with a revision to the A.A.C. on June 14, 2019 (25 A.A.R. 1433). The MCAQD is proposing to revise Rule 204 to include provisions for the generation, certification, and utilization of emission reduction credits from nontraditional sources that use truck stop electrification, electric standby equipped transport refrigeration units, or electric onsite equipment to generate emission reduction credits. The MCAQD is also proposing revisions to align the rule with the revisions made to the Arizona Emissions Bank rules by the ADEQ. Permit fees are not changing due to this action. (C-85-20-009-M-00)

Motion to approve by Supervisor Hickman, seconded by Supervisor Sellers

Ayes: Sellers, Chucri, Gates, Hickman, Gallardo

**REVISION TO THE ARIZONA STATE IMPLEMENTATION PLAN (SIP)**

**RULE 204 OF THE MCAPCR**

**APPENDIX 9:  
NOTICE OF FINAL RULEMAKING**

**NOTICE OF FINAL RULEMAKING**  
**MARICOPA COUNTY AIR POLLUTION CONTROL REGULATIONS**  
**REGULATION II – PERMITS AND FEES**

**RULE 204: EMISSION REDUCTION CREDIT (ERC) GENERATION,  
CERTIFICATION, AND USE**

The Maricopa County Air Quality Department (MCAQD) revised Maricopa County Air Pollution Control Regulation II – Rule 204 (Emission Reduction Credit (ERC) Generation, Certification, and Use). The Control Officer is posting this Notice of Final Rulemaking on the MCAQD website as required by the Arizona Revised Statute (A.R.S.) § 49-471.07(G). This notice includes the preamble, as prescribed in A.R.S. § 49-471.05, and the full text of the final rule. This notice also includes a list of all previous notices posted on the Maricopa County Enhanced Regulatory Outreach Program (EROP) website addressing the proposed rule and the concise explanatory statement prescribed in A.R.S. § 49-471.07, subsection B.

**PREAMBLE**

**1. Statutory authority for the rulemaking:**

A.R.S. §§ 49-112, 49-474, 49-479, and 49-480

**2. Name and address of department personnel with whom persons may communicate regarding the rulemaking:**

Name: Kimberly Butler  
Maricopa County Air Quality Department  
Planning and Analysis Division

Address: 3800 N Central Avenue, Suite 1400  
Phoenix, AZ 85012

Telephone: 602-506-6010  
Fax: 602-506-6179

Email: [AQPlanning@maricopa.gov](mailto:AQPlanning@maricopa.gov)

Submit Comments At: <http://maricopa.gov/FormCenter/Regulatory-Outreach-17/Citizen-Comments-94>

**3. Rulemaking process:**

This rulemaking followed procedures identified in state statutes and the Maricopa County EROP Policy.

County Manager Briefing:	December 2017
Stakeholder Workshops:	September 27, 2018 July 16, 2019
Board of Health Meeting to Initiate Regulatory Change:	February 25, 2019
Notice of Proposed Rulemaking:	August 21, 2019
Board of Health Meeting to Recommend Approval to the Board of Supervisors:	October 28, 2019

Board of Supervisors Formal Meeting to Set the Public Hearing: November 6, 2019

Board of Supervisors Public Hearing: December 11, 2019

**4. Explanation of the rule, including the control officer's reasons for initiating the rulemaking:**

**Summary**

Rule 204 implements procedures for the generation, certification, and utilization of emission reduction credits (ERCs) generated by permitted sources and, through the recent adoption of the revisions to Rule 204, also implements procedures for the generation, certification, and utilization of ERCs generated by three categories of nonpermitted sources.<sup>1</sup>

Participation in the generation, certification, and utilization of ERCs is voluntary; however, when a source chooses to generate, certify, or utilize ERCs they must do so in compliance with the applicable provisions of Rule 204. Sources may submit an application to the MCAQD for the certification of ERCs that are generated within a nonattainment area within Maricopa County. Certified credits may be deposited into the Arizona Emissions Bank until they are sold, used, or retired. The Arizona Department of Environmental Quality (ADEQ) administers the Arizona Emissions Bank, as specified in A.R.S. § 49-410 and Arizona Administrative Code (A.A.C.) Title 18, Chapter 2, Article 12.

In 2017, the Arizona State Legislature amended A.R.S. § 49-410 to allow for the generation, certification, and utilization of ERCs from nontraditional (non-permitted) sources. ADEQ followed with a revision to the A.A.C. on June 14, 2019, as published in the Arizona Administrative Register (A.A.R.) at 25 A.A.R. 1433. The MCAQD revised Rule 204 to include provisions for the generation, certification, and utilization of emission reduction credits from nontraditional sources that use private truck stop electrification, electric standby equipped transport refrigeration units, and electrified onsite equipment to generate emission reduction credits. The MCAQD also made revisions to align the rule with the revisions made to the Arizona Emissions Bank rules by the ADEQ.

**Background**

The federal Clean Air Act's (CAA) New Source Review (NSR) program requires the owner or operator proposing to construct a new major source or proposing to construct a major modification of an existing major source in a nonattainment area to obtain emission offsets before the proposed project may commence. The purpose of requiring emission offsets is to allow a nonattainment area to move towards attainment of the National Ambient Air Quality Standards (NAAQS) while still allowing for industrial growth in that area.

An emission offset is a reduction in the emissions of a pollutant from one emission source in a nonattainment area to compensate for an emissions increase of that same pollutant from another emission source in the nonattainment area. Emission reductions used as emission offsets must equal or exceed emission increases from a proposed new or modified major source in a nonattainment area. The amount of emission reductions required depends on the pollutant and the classification of the nonattainment area associated with that pollutant.

---

<sup>1</sup> Although Rule 204 has been revised locally to allow for the generation, certification, and utilization of ERCs from three categories of nonpermitted sources of ERCs, the generation, certification, and utilization of ERCs from these three source categories will not be permitted until the U.S. Environmental Protection Agency (EPA) approves the rule into the Arizona State Implementation Plan.

New or expanding sources in a nonattainment area commonly meet the offset requirement by adding emission controls to a process, replacing equipment, closing a facility, or purchasing ERCs. An ERC is a credit earned by a company by reducing emissions beyond what is required by law or by shutting down a facility. ERCs must be certified to be permanent, enforceable, real, surplus, and quantifiable.

Maricopa County is currently designated as a nonattainment area for both the 2008 8-hour ozone NAAQS and the 2015 8-hour ozone NAAQS. It is classified as a moderate nonattainment area for the 2008 8-hour ozone NAAQS and as a marginal nonattainment area for the 2015 ozone 8-hour NAAQS. In ozone nonattainment areas, an owner or operator proposing to construct a new major source or proposing to construct a major modification of an existing major source must obtain emission offsets that exceed emission increases from the proposed project before the project may commence. In the case of an ozone moderate nonattainment area, such as Maricopa County, an owner or operator proposing to construct a new major source or proposing to construct a major modification of an existing major source must obtain 1.15 tons of emission offsets for every 1.0 ton of proposed emission increases from the project.

Recently, several inquiries have been made for expanding existing major sources or locating new major sources in Maricopa County. Unfortunately, many of the sources interested in expanding or locating new major sources in Maricopa County have not been able to obtain enough offsets through traditional methods. As a result, industrial growth for certain major sources in Maricopa County has halted.

#### **Challenge: Availability of Emission Reduction Credits**

A common method of obtaining emission offsets is the purchase of ERCs. Unfortunately, there is a limited amount of ERCs available in Maricopa County to allow for industrial growth in certain industries. In particular, there is a limited amount of volatile organic compound (VOC) and oxides of nitrogen (NO<sub>x</sub>) ERCs.

To accommodate future economic growth in Maricopa County while complying with federal air quality requirements, the MCAQD researched ways to increase the availability of emission offsets and determined one way to do so was to revise Rule 204 to allow for the generation, certification, and utilization of ERCs from nontraditional sources of ERCs.

Previously, Rule 204 only allowed for the generation, certification, and utilization of ERCs generated from traditional, or permitted, sources. Since a majority of the County's emissions are from nontraditional sources, a large amount of ERCs have not been generated through this manner. As a result, the MCAQD revised Rule 204 to allow for the generation, certification, and utilization of ERCs from nontraditional sources of ERCs, specifically from private truck stop electrification, electric standby equipped transport refrigeration units, and electrified onsite equipment. The generation, certification, and utilization of ERCs from these nontraditional sources is expected to increase the amount of ERCs available thereby increasing the amount of emission offsets available for major sources looking to locate or expand in Maricopa County.

Although Rule 204 has been revised locally to allow for the generation, certification, and utilization of ERCs from these nontraditional sources, the generation, certification, and utilization of ERCs from these three source categories will not be permitted until the U.S. Environmental Protection Agency (EPA) approves the rule into the Arizona State Implementation Plan.

## **Revisions to Rule 204**

In general, the MCAQD:

- Revised the rule to align with the revisions made to the Arizona Emissions Bank rules by the ADEQ.
- Revised Section 100 (General) to clarify the purpose of the rule and expand the applicability of the rule to include nontraditional (non-permitted) sources of ERCs (regulatory generators and plan generators).
- Revised Section 200 (Definitions) to add, revise, and delete definitions to be consistent with the definitions found in A.A.C. Title 18, Chapter 2, Article 12, R18-2-1201. New definitions necessary to define new terms associated with rule language related to regulatory generators were also added.
- Revised and restructured Section 300 (Standards) to provide separate subsections describing the application, certification, registration, and utilization requirements of ERCs generated by permitted and regulatory generators.
- Added Section 400 (Administrative Requirements), subsection 401 (Offset Integrity Responsibilities) to describe the responsibilities of a permitted source using certified credits generated by a plan generator or a regulatory generator including actions that a permitted source must take if an offset shortage is discovered.
- Added Section 500 (Monitoring and Records) to describe recordkeeping and monitoring requirements a regulatory generator must comply with to demonstrate the continued generation of emission reductions and the integrity of the certified credits.
- Added Appendices A, B, and C to describe the calculations used to determine the actual emission reductions achieved by regulatory generators.

**5. Studies relied on in the control officer's evaluation of or justification for the rule and where the public may obtain or review the studies, all data underlying the studies, any analysis of the studies and other supporting material.**

United States Environmental Protection Agency Region IX Air Division (2007). *Technical Support Document for EPA's Rulemaking for the Arizona State Implementation Plan Regarding Maricopa County Air Quality Department Rule 242, "Emission Offsets Generated by the Voluntary Paving of Unpaved Roads"*. This document may be viewed at the Maricopa County Air Quality Department, 3800 North Central Ave., Suite 1400, Phoenix, AZ 85012.

United States Environmental Protection Agency (2004). *Guidance for Quantifying and Using Long Duration Truck Idling Emission Reductions in State Implementation Plans and Transportation Conformity* (EPA420-B-04-001). Retrieved from [https://www3.epa.gov/ttn/naaqs/aqmguide/collection/cp2/20040101\\_otaq\\_epa-420\\_b-04-001\\_truck\\_idling\\_rmission\\_reductions.pdf](https://www3.epa.gov/ttn/naaqs/aqmguide/collection/cp2/20040101_otaq_epa-420_b-04-001_truck_idling_rmission_reductions.pdf)

**6. An economic, small business and consumer impact statement:**

The following discussion addresses each of the elements required for an economic, small business, and consumer impact statement, as prescribed by A.R.S. §§ 41-1055, subsections A, B, and C; and 41-1035:

**An identification of the rulemaking, including all of the following:**



This rulemaking revised Rule 204. Participation in the generation, certification, and utilization of ERCs is voluntary.

**(a) The conduct and its frequency of occurrence that the rule is designed to change.**

The MCAQD revised Rule 204 to allow for the generation, certification, and utilization of ERCs from nontraditional sources of ERCs, specifically from private truck stop electrification, electric standby equipped transport refrigeration units, and electrified onsite equipment.

**(b) The harm resulting from the conduct the rule is designed to change and the likelihood it will continue to occur if the rule is not changed.**

Currently, there is a limited amount of VOC and NO<sub>x</sub> credits available in Maricopa County. The lack of available credits adversely impacts Maricopa County's economy by limiting the ability of certain major stationary sources to locate or expand operations within Maricopa County. If Rule 204 was not revised, the ability for certain major stationary sources to locate or expand in Maricopa County would continue to be limited.

**(c) The estimated change in frequency of the targeted conduct expected from the rule change.**

The MCAQD revised Rule 204 to allow for the generation, certification, and utilization of ERCs from nontraditional sources of ERCs, specifically from private truck stop electrification, electric standby equipped transport refrigeration units, and electrified onsite equipment.

**A brief summary of the information included in the economic, small business, and consumer impact statement.**

Participation in the generation, certification, and utilization of ERCs is voluntary; however, when a source chooses to generate, certify, or utilize ERCs they must do so in compliance with the applicable provisions of Rule 204.

This rulemaking is anticipated to have an overall positive impact on Maricopa County's economy. The generation of more ERCs by nontraditional sources will allow more large businesses wishing to construct new major sources or make major modifications to existing major sources in Maricopa County to meet the emission offset requirement of the CAA. In addition, owners or operators of private truck stops, transport refrigeration units, and onsite equipment that choose to use electricity to reduce or eliminate emissions from gasoline and diesel fueled equipment and generate ERCs will benefit by being able to sell ERCs to the large businesses needing them for emissions offsets.

**Name and address of agency employees who may be contacted to submit or request additional data on the information included in the economic, small business, and consumer impact statement.**

Name: Kimberly Butler  
Maricopa County Air Quality Department  
Planning and Analysis Division

Address: 3800 N Central Avenue, Suite 1400  
Phoenix, AZ 85012

Telephone: (602) 506-6010

Fax: (602) 506-6179  
Email: AQPlanning@maricopa.gov  
Submit Comments At: <http://maricopa.gov/FormCenter/Regulatory-Outreach-17/Citizen-Comments-94>

**An identification of the persons who will be directly affected by, bear the costs of or directly benefit from the rulemaking.**

Participation in the generation, certification, and utilization of ERCs is voluntary; however, when a source chooses to generate, certify, or utilize ERCs they must do so in compliance with the applicable provisions of Rule 204. Both the generator and the user of the ERCs will bear the costs and benefits from the rulemaking.

The owner or operator of a private truck stop, transport refrigeration unit, or onsite equipment that chooses to use electricity to reduce or eliminate emissions from gasoline and diesel fueled equipment will bear the costs associated with the cost to replace or add equipment necessary to use electricity instead of gasoline or diesel fuel; however, they will benefit from the ability to generate ERCs and, ultimately, sell the certified ERCs for a profit.

The owner or operator of a major stationary source needing emission offsets will bear the cost of purchasing the certified ERCs but will benefit from the ability to construct a new major stationary source in Maricopa County or make a major modification to an existing major stationary source in Maricopa County.

In addition, the citizens and visitors to Maricopa County are anticipated to benefit from this rulemaking. They will have cleaner air to breathe through the reduction of air pollutants and potentially more job opportunities through new economic growth and expansion.

**A cost benefit analysis of the following:**

**(a) The probable costs and benefits to the implementing agency and other agencies directly affected by the implementation and enforcement of the rulemaking.**

The cost incurred by MCAQD to review ERC applications and certify ERCs has been, and is expected to continue to be, minimal.

The cost to ADEQ of administering the Arizona Emissions Bank has been, and is expected to continue to be, minimal as stated in ADEQ's Notice of Final Rulemaking (25 A.A.R. 1433, June 14, 2019).

**(b) The probable costs and benefits to a political subdivision of this state directly affected by the implementation and enforcement of the rulemaking.**

This rulemaking should not impose any new costs on political subdivisions of this state affected by the rulemaking.

**(c) The probable costs and benefits to businesses directly affected by the rulemaking, including any anticipated effect on the revenues or payroll expenditures of employers who are subject to the rulemaking.**

Participation in the generation, certification, and utilization of ERCs is voluntary; however, when a source chooses to generate, certify, or utilize ERCs they must do so in compliance with the applicable provisions of Rule 204. Both the generator and the user of the ERCs will bear the costs and benefits from the rulemaking.

The owner or operator of a private truck stop, transport refrigeration unit, or onsite equipment that chooses to use electricity to reduce or eliminate emissions from gasoline and diesel fueled equipment will bear the costs associated with the cost to replace or add equipment necessary to use electricity instead of gasoline or diesel fuel; however, they will benefit from the ability to generate ERCs and, ultimately, sell the certified ERCs for a profit.

The owner or operator of a major stationary source needing emission offsets will bear the cost of purchasing the certified ERCs but will benefit from the ability to construct a new major stationary source in Maricopa County or make a major modification to an existing major stationary source in Maricopa County.

**A general description of the probable impact on private and public employment in businesses, agencies, and political subdivisions of this state directly affected by the rulemaking.**

The probable impact on private and public employment in businesses directly affected by the rulemaking is expected to be positive. The generation of more ERCs will allow more businesses to locate and expand in Maricopa County, thereby increasing the overall economic growth and expansion.

**A statement of the probable impact of the rulemaking on small businesses. The statement shall include:**

**(a) An identification of the small businesses subject to the rulemaking.**

Participation in the generation, certification, and utilization of ERCs is voluntary; however, when a source chooses to generate, certify, or utilize ERCs they must do so in compliance with the applicable provisions of Rule 204.

The small businesses subject to Rule 204 are the owners or operators of private truck stops, transport refrigeration units, and onsite equipment who choose to use electricity to reduce or eliminate emissions from gasoline and diesel fueled equipment.

**(b) The administrative and other costs required for compliance with the rulemaking.**

Participation in the generation, certification, and utilization of ERCs is voluntary; however, when a source chooses to generate, certify, or utilize ERCs they must do so in compliance with the applicable provisions of Rule 204.

Administrative Costs: Small business choosing to generate and certify ERCs must comply with the application and recordkeeping requirements of the rule.

Other Costs: Small business choosing to generate and certify ERCs will bear costs associated with the cost to replace or add equipment necessary to use electricity instead of gasoline or diesel fuel and the cost of any monitoring equipment required by the rule to ensure the continued generation of ERCs.

**(c) A description of the methods that the agency may use to reduce the impact on small businesses.**

**i. Establish less stringent compliance or reporting requirements in the rule for small businesses.**

Participation in the generation, certification, and utilization of ERCs is voluntary; however, when a source chooses to generate, certify, or utilize ERCs they must do so in compliance with the applicable provisions of Rule 204. The MCAQD was not aware of any less stringent compliance or reporting requirements.

**ii. Establish less stringent schedules or deadlines in the rule for compliance or reporting requirements for small businesses.**

Participation in the generation, certification, and utilization of ERCs is voluntary; however, when a source chooses to generate, certify, or utilize ERCs they must do so in compliance with the applicable provisions of Rule 204. The MCAQD was not aware of any less stringent schedules or deadlines for compliance or reporting requirements.

**iii. Consolidate or simplify the rule's compliance or reporting requirements for small businesses.**

Participation in the generation, certification, and utilization of ERCs is voluntary; however, when a source chooses to generate, certify, or utilize ERCs they must do so in compliance with the applicable provisions of Rule 204. The MCAQD was not aware of any way to consolidate or simplify the rule's compliance or reporting requirements.

**iv. Establish performance standards for small businesses to replace design or operational standards in the rule.**

Participation in the generation, certification, and utilization of ERCs is voluntary; however, when a source chooses to generate, certify, or utilize ERCs they must do so in compliance with the applicable provisions of Rule 204.

**v. Exempt small businesses from any or all requirements of the rule.**

Participation in the generation, certification, and utilization of ERCs is and will remain voluntary.

**(d) The probable cost and benefit to private persons and consumers who are directly affected by the rulemaking.**

This rulemaking will not impose any costs to private persons or consumers. The citizens and visitors to Maricopa County will benefit through the reduction of air pollutants and economic growth.

**A statement of the probable effect on state revenues.**

The rulemaking will not impose increased monetary or regulatory costs on other state agencies, political subdivisions of this state, persons, or individuals so regulated. Without costs to pass through to customers, there is no projected change in consumer purchase patterns and, thus, no impact on state revenues from sales taxes.

**A description of any less intrusive or less costly alternative methods of achieving the purpose of the rulemaking, including the monetizing of the costs and benefits for each option and providing the rationale for not using nonselected alternatives.**

The MCAQD was not aware of any less intrusive or costly methods to achieve the purpose of this rulemaking.

**A description of any data on which a rule is based with a detailed explanation of how the data was obtained and why the data is acceptable data.**

See Section #5 of this notice.

**7. The effective date of the rule:**

The effective date of this rulemaking was December 11, 2019.

**8. Such other matters as are prescribed by statute and that are applicable to the county or to any specific rule or class of rules:**

Under A.R.S. § 49-479(C), a county may not adopt a rule or ordinance that is more stringent than the rules adopted by the Director of the Arizona Department of Environmental Quality (ADEQ) for similar sources unless it demonstrates compliance with the applicable requirements of A.R.S. §49-112.

The MCAQD is in compliance with A.R.S. §§ 49-112(A) and (B). This rulemaking did not make the rule more stringent than the rules adopted by the Director of ADEQ.

**9. List of all previous notices posted to the Maricopa County EROP website addressing the rule and a concise explanatory statement, as prescribed by A.R.S. § 49-471.07, subsection B:**

**(a) List of all previous notices posted to the Maricopa County EROP website addressing the rule:**

Briefing Notification to County Manager:	January 26, 2018
Notice of Stakeholder Workshop:	September 13, 2018 June 28, 2019
Notice of Board of Health Meeting to Initiate Regulatory Change:	February 8, 2019
Notice of Proposed Rulemaking:	August 21, 2019
Notice of Board of Health Meeting to Make Recommendation to the Board of Supervisors:	October 14, 2019
Notice of Board of Supervisor's Meeting to Hold a Public Hearing:	November 6, 2019

**(b) The following discussion addresses each of the elements required for a concise explanatory statement, as prescribed by A.R.S. § 49-471.07, subsection B:**

**i. A description of any change between the proposed rule or ordinance, the final rule or ordinance, or notice of final supplemental rule or ordinance.**

The following changes were made after the Notice of Proposed Rulemaking was published on August 21, 2019. Changes one through fifteen were made in response to comments the MCAQD received from the EPA on October 7, 2019.

1. Revised the definition of "emission reduction credit" to clarify that ERCs do not have property rights associated with them. The section now reads as follows:

Section 206 EMISSION REDUCTION CREDIT (ERC): A reduction in qualifying emissions, expressed in tons per year as rounded down to the nearest

one tenth (1/10) of a ton, for which a generator has submitted an application pursuant to this rule. ERCs do not have property rights associated with them.

2. Revised the definition of “plan generator” to clarify that the emission reduction plan for a plan generator must be approved into the Arizona SIP. The section now reads as follows:

Section 216 PLAN GENERATOR: A generator that intends to achieve or has achieved reductions in qualifying emissions in compliance with an emission reduction plan approved into the Arizona State Implementation Plan.

3. Modified the definition of “truck stop electrification” to include terms that are interchangeable. The section now reads as follows:

Section 224 TRUCK STOP ELECTRIFICATION (TSE): A stationary idle reduction technology that provides electricity to power on-board truck equipment in lieu of idling the main truck engine or using onboard auxiliary power units (APUs). Typically installed as Electrified Truck Spaces and Electrified Parking Spaces.

4. Added the terms “operating and utilization” to Section 303.2. The section now reads as follows:

Section 303.2: Shall comply with all of the following operating, utilization, monitoring, recordkeeping, and maintenance requirements: ...

5. Added a subsection under Section 303.2 relating to idle reduction technology operation and use; and adjusted the lettering under Section 303.2 as a result of the added subsection. The section reads as follows:

Section 303.2.a: Idle Reduction Technology Operation and Use: Idle reduction technology shall be operated and maintained in accordance with the manufacturer’s written instructions.

- (1) Trucks using idle reduction technology shall:

- (a) Not use the truck’s engine while using the idle reduction technology.
- (b) Be properly modified, if necessary, in accordance with the manufacturer’s instructions, to allow for the use of the idle reduction technology.

6. Added a requirement under the Emission Reduction Monitoring section under Section 303.2. The requirement reads as follows:

Section 303.2.b.3: All monitoring equipment shall be operated and maintained in accordance with the manufacturer’s written instructions.

7. Added the term “operating” to Section 304.2. The section now reads as follows:

Section 304.2: Shall comply with all of the following operating, monitoring, recordkeeping, and maintenance requirements

8. Added a subsection under Section 304.2 relating to electric standby equipped TRU operation and maintenance; and adjusted the lettering under Section 304.2 as a result of the added subsection. The section reads as follows:

Section 304.2.a: Electric Standby Equipped TRU Operation and Maintenance: Electric standby equipped TRUs shall be operated and maintained in accordance with the manufacturer's written instructions in order to ensure the continued generation of emission reductions.

9. Added a requirement under Emission Reduction Monitoring under Section 304.2. The requirement reads as follows:

Section 304.2.b.3: All monitoring equipment shall be operated and maintained in accordance with the manufacturer's written instructions.

10. Added the term "operating" to Section 305.2. The section now reads as follows:

Section 305.2: Shall comply with all of the following operating, monitoring, repowering, removal/disposal, recordkeeping, and maintenance requirements:

11. Added a subsection under Section 305.2 relating to electrified onsite equipment operation and maintenance; and adjusted the lettering under Section 305.2 as a result of the added subsection. The section reads as follows:

Section 305.2.a: Electrified Onsite Equipment Operation and Maintenance: Electrified Onsite Equipment shall be operated and maintained in accordance with the manufacturer's written instructions in order to ensure the continued generation of emission reductions.

12. Added a second sentence to the Monitoring of Equipment Use section under Section 305.2. The sentence reads as follows:

All monitoring equipment shall be operated and maintained in accordance with the manufacturer's written instructions.

13. Removed the phrase "for a minimum of thirty (30) years" from Section 303.2.c.

14. Removed Sections 304.2.c and 305.2.e.

15. Added Section 307.3: Maintaining Surplus Integrity Criteria: In order to maintain the surplus integrity criteria, the Control Officer may revise the amount of previously issued certified credits at the time of the credit's use.

16. Section 501.3 added numeric value after "five" to read "five (5)."

17. Section 505.1.c(2) "Removed from the inventory" was renumbered to 505.1.c(3).

**ii. A summary of the comments and arguments for and against the notice and the county's response to the comments and arguments.**

The following discussion evaluates the arguments for and against the rule and includes responses to comments received on the rule or the preamble in the Notice of Proposed Rulemaking. The MCAQD received written comments from one stakeholder and one formal comment from the EPA. All of the comments were reviewed and evaluated by the MCAQD.

**Comment 1:** We are requesting a more inclusive definition of ineligible emission reductions in Section 305.1(c). The Federal Aviation Administration's VALE program earmarks specific emissions reduction actions as credits toward future airport projects. VALE is described as an "incentive-based emissions reduction program" and we are

requesting these earmarked emissions reductions be clearly listed as ineligible under this program.

**Response 1:** Rule 204, Section 305.1.c(2) language excludes “...emission reductions created or used under any other emissions trading program...” from the calculations to quantify emission reductions. This exclusion would include any emission reductions created under the Federal Aviation Administration’s (FAA) Voluntary Airport Low Emission Program (VALE) program. In addition, emission reduction credits generated through the FAA VALE grants are totally under the control of the airport and/or FAA. Therefore, future use would be at the discretion of the airport and/or the FAA.

**Comment 2:** Electrification of fuel-driven equipment can result in operational changes of the mobile equipment included in this rulemaking. An example is the running of conveyor belts on aircraft baggage loaders, which once electrified, will run solely off the battery and not register as “hours of operation” of the drivetrain. Pre-electrification, the motor on these units would have been running to power the conveyor belts and registering as “operating”. The commenter is unsure how this possible reduction in hours of operation, while performing the same duties as the units replaced, will be handled in the program.

**Response 2:** Rule 204, Section 505.4 (Operational Records) rule language was revised to provide three options for documenting the use of the electrical equipment: hours of operation, mileage accrued, and the amount of electricity consumed. For the gasoline or diesel fueled equipment, the options include: hours of operation, mileage accrued, and fuel consumption. During the application process, the applicant will identify which type(s) of recordkeeping will be used to verify that the electrical equipment is operated in the same manner as the gasoline or diesel fueled equipment it replaced in order to verify that no load shifting is occurring.

**Comment 3:** Rule 204, Section 305.2(b) does not allow for the retrofit of the equipment from fuel-powered to electricity-driven. We request the inclusion of an option to “repowering to electric” in this section as an allowable replacement practice.

**Response 3:** Section 305.2 was revised to allow for the repowering of gasoline or diesel fueled equipment as long as it is repowered to operate only on electrical power. The electrified onsite equipment recordkeeping requirements in Section 505.1.c was revised to include for the repowering of equipment.

**Comment 4:** Draft Rule 204, Section 505.4 Operational Records requires record keeping of both mileage and hours of operation for both the zero emissions equipment and the gasoline or diesel fueled equipment within the fleet. For the equipment in this rulemaking, we suggest that hours of operation is the appropriate metric.



**Response 4:** Rule 204, Section 505.4.a was revised to require “at least one” of the listed methods be used to demonstrate the electric powered equipment is being used in the same manner as was represented in the emission reduction credit application. Section 505.4.b was also revised to require “at least one” of the listed methods be used to meet operational recordkeeping requirements.

**Comment 5:** The required emissions reduction commitment of 30 years seems daunting. With that requirement, the company contemplating the emissions reduction is attempting to project their business plan and any technological improvements that might happen within that timeframe. An opportunity to commit to a lesser timeframe seems more appropriate for this type of equipment. Likewise, by fully crediting the replaced equipment emissions reduction now, and allowing industry to use them for permit compliance for the next 30 years, the County is “losing” the benefits of more stringent air emissions standards being promulgated over time on these types of equipment.

**Response 5:** The thirty (30) year requirement was removed as a requirement. The MCAQD will rely on the definition of permanent when determining if an emission reduction meets the permanence criteria as required by the CAA. Section 214 defines “permanent” as “reductions in qualifying emissions that are enforceable and enduring for the duration of federal major new source review obligations.”

**Comment 6:** See Attachment 1.

**Response 6:** The MCAQD provides the following response to EPA’s comments.

First, the MCAQD acknowledges and appreciates the engagement between the MCAQD and EPA staff during the Rule 204 rulemaking. The MCAQD carefully considered all of EPA’s comments during the rulemaking process and incorporated many of EPA’s comments into Rule 204.

Second, the MCAQD respectfully disagrees with the EPA that the revisions associated with the generation of ERCs from nontraditional sources do not fully satisfy all Clean Air Act statutory and regulatory requirements. The MCAQD believes these provisions do fully satisfy all Clean Air Act and regulatory requirements and will demonstrate how they satisfy these requirements in the MCAQD SIP submittal.

Finally, because the MCAQD believes the provisions in Rule 204 satisfy all Clean Air Act and regulatory requirements the MCAQD did not delay the approval of Rule 204. Revisions to the rule were adopted on December 11, 2019.

### **EXACT WORDING OF THE RULES**

**MARICOPA COUNTY**  
**AIR POLLUTION CONTROL REGULATIONS**  
**REGULATION II – PERMITS AND FEES**

**RULE 204**  
**EMISSION REDUCTION ~~CREDITS~~ CREDIT (ERC) GENERATION,**  
**CERTIFICATION, AND USE ~~FOR USE WITH THE ARIZONA EMISSIONS BANK~~**

**INDEX**

**SECTION 100 – GENERAL**

- 101 PURPOSE
- 102 APPLICABILITY

**SECTION 200 – DEFINITIONS**

- 201 ACCOUNT HOLDER
- 202 ARIZONA EMISSIONS BANK
- 203 BASELINE EMISSIONS
- 204 204 CERTIFIED CREDIT
- 202 ~~CREDIT UTILIZATION~~
- 205 ELECTRIC STANDBY EQUIPPED TRU
- 203 206 EMISSION REDUCTION CREDIT (ERC) ~~or CREDIT~~
- 204 ~~EMISSIONS BANK~~
- 207 ENFORCEABLE
- 208 GENERATOR
- 209 IDLE REDUCTION TECHNOLOGY
- 210 LONG DURATION IDLING
- 211 OFFSET-CREATION RULE
- 212 OFFSETS
- 213 ONSITE EQUIPMENT
- 214 PERMANENT
- 215 PERMITTED GENERATOR
- 216 PLAN GENERATOR
- 217 PRIVATE TRUCK STOP
- 218 QUALIFYING EMISSIONS
- 219 QUANTIFIABLE

- 220     REAL
- 221     REGULATORY GENERATOR
- 205     222     SURPLUS
- 223     TRANSPORT REFRIGERATION UNIT (TRU)
- 224     TRUCK STOP ELECTRIFICATION (TSE)

#### **SECTION 300 – STANDARDS**

- 301     CREDIT CERTIFICATION
- 302     CREDIT UTILIZATION
- 301     CERTIFICATION OF CREDITS FOR EMISSION REDUCTIONS BY A PERMITTED GENERATOR
- 302     CERTIFICATION OF CREDITS FOR EMISSION REDUCTIONS BY A REGULATORY GENERATOR
- 303     TRUCK STOP ELECTRIFICATION (TSE)
- 304     TRANSPORT REFRIGERATION UNIT (TRU)
- 305     ONSITE EQUIPMENT
- 306     REGISTRATION OF CERTIFIED CREDITS IN THE ARIZONA EMISSIONS BANK
- 307     USE OF THE CERTIFIED CREDITS

#### **SECTION 400 – ADMINISTRATIVE REQUIREMENTS ~~(NOT APPLICABLE)~~**

- 401     OFFSET INTEGRITY RESPONSIBILITIES

#### **SECTION 500 – MONITORING AND RECORDS ~~(NOT APPLICABLE)~~**

- 501     RECORDKEEPING AND RECORDS RETENTION
- 502     INSPECTIONS
- 503     TRUCK STOP ELECTRIFICATION (TSE) RECORDS
- 504     TRANSPORT REFRIGERATION UNIT (TRU) RECORDS
- 505     ONSITE EQUIPMENT RECORDS

#### **APPENDICES TO RULE 204**

APPENDIX A: CALCULATIONS FOR DETERMINING EMISSION REDUCTIONS FROM EACH ELECTRIFIED TRUCK SPACE

APPENDIX B: CALCULATIONS FOR DETERMINING EMISSION REDUCTIONS FROM EACH ELECTRIC STANDBY EQUIPPED TRU

APPENDIX C: CALCULATIONS FOR DETERMINING EMISSION REDUCTIONS FROM EACH PIECE OF ONSITE EQUIPMENT

Adopted 05/07/2003; Revised MM/DD/YYYY

**MARICOPA COUNTY  
AIR POLLUTION CONTROL REGULATIONS  
REGULATION II - PERMITS AND FEES**

**RULE 204**

**EMISSION REDUCTION CREDITS CREDIT (ERC) GENERATION,  
CERTIFICATION, AND USE FOR USE WITH THE ARIZONA EMISSIONS BANK**

**SECTION 100 – GENERAL**

**101 PURPOSE:** ~~To implement procedures for certification and utilization of emission reduction credits for use with the Arizona Emissions Bank.~~ To facilitate the creation and trading of emission reduction credits (ERCs) for use as offsets by providing a process for:

**101.1** Creating emission reduction credits for reductions achieved by permitted generators and regulatory generators.

**101.2** Certifying credits as meeting offset requirements in advance of the certified credits' use for that purpose.

**101.3** Registering certified credits in the Arizona Emissions Bank.

**101.4** Using certified credits registered in the Arizona Emissions Bank.

**101.5** Using certified credits not registered in the Arizona Emissions Bank.

**102 APPLICABILITY:** ~~Participation in the Rule 204 emission reduction credit certification and utilization program is voluntary. The provisions of this rule apply to permitted sources emitting particulate matter, sulfur dioxide, carbon monoxide, nitrogen oxides, or volatile organic compounds. Rule 204 does not apply to sources granted the authority to operate under Rule 230 (General Permits) of these rules.~~ The provisions of this rule apply to the following persons and entities:

**102.1** A permitted generator.

**102.2** A plan generator.

**102.3** A regulatory generator.

**102.4** The owner or operator of a permitted stationary source that intends to use certified credits as offsets.

**SECTION 200 – DEFINITIONS:** ~~For the purpose of this rule, the following definitions shall apply. See apply in addition to those definitions found in Rule 100 (General Provisions and Definitions) of these rules. for definitions of terms that are used but not specifically defined in this rule.~~ In the event of any inconsistency between any of the Maricopa County Air Pollution Control Regulations, the definitions in this rule take precedence.

201     **ACCOUNT HOLDER:** Any person or entity who has opened an account with the Arizona Emissions Bank.

202     **ARIZONA EMISSIONS BANK:** The system created by the Arizona Department of Environmental Quality (ADEQ) to record and make publically available information on the issuance, certification, transfer, retirement, and use of emission reduction credits.

203     **BASELINE EMISSIONS:** The average rate, in tons per year as rounded down to the nearest one tenth (1/10) of a ton, at which the generator actually emitted the pollutant during the two preceding calendars years, or two calendar years more representative of normal emissions within the 5-year period immediately before the emissions reduction is achieved.

204     **CERTIFIED CREDITS CREDIT:** ~~—emission reduction credits that have qualified for certification by satisfying the criteria established for emission reduction as outlined in Section 301 (Credit Certification) of this rule. An ERC that has met the criteria in this rule for certification and has been issued by the Maricopa County Air Quality Department (MCAQD).~~

202     **CREDIT UTILIZATION** ~~—the use of a certified emission reduction credit.~~

205     **ELECTRIC STANDBY EQUIPPED TRU:** A transport refrigeration unit (TRU) with a refrigeration system that may be selectively powered by either an integral, diesel fueled internal combustion engine, or an integral, electric powered motor.

206     **EMISSION REDUCTION CREDIT (ERC):** ~~or CREDIT—~~a certified unit that may be banked, sold, transferred, withdrawn or retired. A reduction in qualifying emissions, expressed in tons per year as rounded down to the nearest one tenth (1/10) of a ton, for which a generator has submitted an application pursuant to this rule. ERCs do not have property rights associated with them.

204     **EMISSIONS BANK** ~~—the electronic entity where emission reduction credits are recorded for the purpose of the public notice, allowing a person to determine the availability of credits for related market transactions. The emissions bank is administered by the Arizona Department of Environmental Quality.~~

207     **ENFORCEABLE:** Specific measures for assessing compliance with an emissions limitation, control, or other requirement established in a permit or in this rule in a manner that allows compliance to be readily determined by, but not limited to, an inspection of records and reports.

208     **GENERATOR:** Any permitted source or other activity that has made or proposes to make reductions in qualifying emissions.

209     **IDLE REDUCTION TECHNOLOGY:** A technology or device that reduces the need for long duration idling.

- 210**     **LONG DURATION IDLING:** The operation of a diesel engine at a time in which the main drive engine is not engaged and in gear for a period greater than 15 consecutive minutes except when associated with routine stoppages due to traffic congestion or for the loading or processing of cargo.
- 211**     **OFFSET-CREATION RULE:** A Maricopa County Air Pollution Control Regulation that has been approved into the State Implementation Plan (SIP) and provides a method for allowing emission reductions from specific activities to qualify as offsets. Rule 242 (Emission Offsets Generated by the Voluntary Paving of Unpaved Roads) is an example of an offset-creation rule.
- 212**     **OFFSETS:** Reductions in emissions required under Rule 240 (Federal Major New Source Review (NSR)) of these rules.
- 213**     **ONSITE EQUIPMENT:** Mobile, nonroad industrial, and ground support equipment that are part of the same fleet and used at the same location such as equipment located at, but not limited to, an airport, a distribution center, or a rail yard.
- 214**     **PERMANENT:** Reductions in qualifying emissions that are enforceable and enduring for the duration of federal major new source review obligations.
- 215**     **PERMITTED GENERATOR:** A generator that is a stationary source subject to a permit and that seeks credits for reductions that are, or will be made enforceable through a permit condition.
- 216**     **PLAN GENERATOR:** A generator that intends to achieve or has achieved reductions in qualifying emissions in compliance with an emission reduction plan approved into the Arizona State Implementation Plan.
- 217**     **PRIVATE TRUCK STOP:** A private place of business (non-commercial/non-public) that provides services and parking spaces to only its private fleet drivers and trucks.
- 218**     **QUALIFYING EMISSIONS:** Emissions of any conventional air pollutant, other than elemental lead, or any precursor of a conventional air pollutant from any activity when generated within the Maricopa County nonattainment area associated with the conventional air pollutant.
- 219**     **QUANTIFIABLE:** With respect to emissions, including the emissions involved in equivalent emission limits and emission trades, capable of being measured or otherwise determined in terms of quantity and addressed in terms of character. Quantification may be based on emission factors, stack tests, monitored values, operating rates, and averaging times, materials used in a process or production, modeling, or other reasonable measurement practices.
- 220**     **REAL:** A reduction in actual emissions released to the air resulting from a physical change or change to the method of operations by a generator.

221 **REGULATORY GENERATOR:** A generator that has achieved reductions in qualifying emissions by compliance with an offset-creation rule.

205 222 **SURPLUS:** —the amount of a permitted source's emission reduction that is not required by federal, state, or local law. A reduction in qualifying emissions not otherwise required by a federally applicable requirement and not relied upon in the State Implementation Plan (SIP).

223 **TRANSPORT REFRIGERATION UNIT (TRU):** A refrigeration system powered by an integral, internal combustion engine designed to control the environment of temperature sensitive products that are stored in trucks and trailers. A TRU is capable of providing cooling or heating for truck and trailer cargo spaces.

224 **TRUCK STOP ELECTRIFICATION (TSE):** A stationary idle reduction technology that provides electricity to power on-board truck equipment in lieu of idling the main truck engine or using onboard auxiliary power units (APUs). Typically installed as Electrified Truck Spaces and Electrified Parking Spaces.

## SECTION 300 – STANDARDS

### 301 CREDIT CERTIFICATION

~~301.1~~ The Control Officer may certify an emission credit if the Control Officer verifies the credit is based on all of the following:

- ~~(a)~~ A reduction in actual emissions that occurred after August 17, 1999;
- ~~(b)~~ A quantifiable reduction in actual emissions;
- ~~(c)~~ A permanent reduction in actual emissions;
- ~~(d)~~ An enforceable reduction in actual emissions; and
- ~~(e)~~ A surplus reduction in actual emissions occurring in addition to any other required emission reduction.

~~301.2~~ The source must notify the Control Officer when the reduction occurs.

~~301.3~~ In order for the emission reduction to be quantifiable under this section:

- ~~(a)~~ The emission reduction must be quantifiable under Rule 100, § 200.86; and
- ~~(b)~~ The reducing source shall submit documentation of any testing or monitoring that demonstrates an emission reduction.

~~301.4~~ The Control Officer shall certify one emission reduction credit for each ton per year of particulate matter, sulfur dioxide, carbon monoxide, nitrogen dioxide, or volatile organic compound actually reduced.

~~301.5~~ The Control Officer shall notify the source and the Director of the ADEQ that a credit is certified.

### 302 CREDIT UTILIZATION

- ~~302.1 A source may use a certified emission reduction credit in the same nonattainment area, maintenance area, or modeling domain in which the emission reduction occurred by submitting a Credit Utilization Application (CUA) to both the Director of the ADEQ and the Control Officer, on a form prescribed by the Director of the ADEQ. The source shall submit the CUA to the Control Officer at the time the source submits an application for a permit or permit revision.~~
- ~~302.2 Before any emission reduction credits may be utilized, the Control Officer shall:~~
- ~~(a) Evaluate and verify the authenticity of the credit, and~~
  - ~~(b) Determine that there will be no adverse impact on the air quality.~~
- ~~302.3 After the Control Officer completes the permitting action, the Control Officer shall submit the credit certificate to the Director of the ADEQ and notify the Director that the requirements of A.A.C. R18-2-1206 have been met.~~

**301 CERTIFICATION OF CREDITS FOR EMISSION REDUCTIONS BY A PERMITTED GENERATOR:**

**301.1 Application:**

- a. The owner or operator of a permitted generator may apply for certified credits for reductions in qualifying emissions at any time after filing either of the following with the Control Officer:
  - (1) An application for a permit revision seeking the imposition of conditions to make the reductions in qualifying emissions permanent and enforceable; or
  - (2) A notice of permit termination seeking to make the shutdown of a stationary source and the resulting reductions in qualifying emissions permanent and enforceable.
- b. An application for certified credits shall be filed with the Control Officer on the form prescribed by the MCAQD and shall include:
  - (1) Information on the identity, type, ownership, and location of the permitted generator.
  - (2) A description of the actions that have resulted or will result in the reductions in qualifying emissions;
  - (3) Information on the amount of and methodology for calculating the reductions in qualifying emissions for each pollutant subject to the application;
  - (4) Other information necessary to verify that the reductions in qualifying emissions qualify as permanent, quantifiable, surplus, enforceable, and real;
  - (5) The actual date or anticipated date of the reductions in qualifying emissions, as applicable; and



(6) A signed statement by a responsible official, as defined in Rule 100 (General Provisions and Definitions), verifying the truthfulness and accuracy of all information provided in the application.

**301.2 Action on Application:** The Control Officer shall review the application for credits and:

- a. Issue one certified credit for each ton, as rounded down to the nearest one tenth (1/10) of a ton, per year of reduction that qualifies as permanent, quantifiable, surplus, enforceable, and real; and
- b. Provide the applicant with a certificate representing the number of certified credits issued.
- c. If no emission reductions qualify to be certified, then no certified credits will be issued.

**301.3 Registration of Certified Credits in the Arizona Emissions Bank:** Certified credits may be registered in the Arizona Emissions Bank but registration is not required. See Section 306 (Registration of Certified Credits in the Arizona Emissions Bank) for procedures regarding registration of certified credits in the Arizona Emissions Bank.

## **302 CERTIFICATION OF CREDITS FOR EMISSION REDUCTIONS BY A REGULATORY GENERATOR:**

**302.1 Application:**

- a. The owner or operator of a regulatory generator may apply for credits for reductions in qualifying emissions at any time after complying with the applicable requirements in Section 303 (Truck Stop Electrification (TSE)), Section 304 (Transport Refrigeration Unit (TRU)), or Section 305 (Onsite Equipment).
- b. An application for credits shall be filed with the Control Officer on the form prescribed by the MCAQD and shall include the information found in Section 301.1.b.

**302.2 Action on Application:** The Control Officer shall review the application for credits and:

- a. Issue one certified credit for each ton, as rounded down to the nearest one tenth (1/10) of a ton, per year of reduction that qualifies as permanent, quantifiable, surplus, enforceable, and real.
- b. Provide the applicant with a certificate representing the number of certified credits issued.
- c. If no emission reductions qualify to be certified, then no credits will be issued.

**302.3 Registration of Certified Credits in the Arizona Emissions Bank:** Certified credits may be registered in the Arizona Emissions Bank but registration is not required. See Section 306 (Registration of Certified Credits in the Arizona Emissions Bank) for procedures regarding registration of certified credits in the Arizona Emissions Bank.

**303** **TRUCK STOP ELECTRIFICATION (TSE):** A regulatory generator that owns a private truck stop and uses truck stop electrification idle reduction technology to reduce long duration idling emissions:

**303.1** May apply to certify ERCs by meeting the following requirements:

- a. Truck Stop Location:** The truck stop electrification idle reduction technology used to generate credits shall be installed at a private truck stop that is located within a nonattainment area within the jurisdiction of the MCAQD.
- b. Quantification of Baseline Emissions:** The regulatory generator shall quantify baseline emissions from each electrified truck space following the calculation methodology in Appendix A (Calculations for Determining Emission Reductions from Each Electrified Truck Space).
- c. Quantification of Emission Reductions:**

**(1)** The regulatory generator shall:

- (a)** Quantify the amount of emission reductions from each electrified truck space following the calculation methodology in Appendix A (Calculations for Determining Emission Reductions from Each Electrified Truck Space).
- (b)** Calculate the amount of emission reductions as rounded down to the nearest one tenth (1/10) of a ton.

**(2)** Calculations shall not include:

- (a)** Emission reductions created or used under any other emissions trading program, emission reductions used to satisfy the State Implementation Plan including transportation conformity requirements, emission reductions funded by the Diesel Emissions Reduction Act, or any emission reductions pursuant to a federal consent decree, or state and local settlements.
- (b)** Emission reductions from the use of mobile idle reduction technology, such as auxiliary power units (APUs).

**303.2** Shall comply with all of the following operating, utilization, monitoring, recordkeeping, and maintenance requirements:

- a. Idle Reduction Technology Operation and Use:** Idle reduction technology shall be operated and maintained in accordance with the manufacturer's written instructions.
  - (1)** Trucks using idle reduction technology shall:
    - (a)** Not use the truck's engine while using the idle reduction technology.
    - (b)** Be properly modified, if necessary, in accordance with the manufacturer's instructions, to allow for the use of the idle reduction technology.

- b. Emission Reduction Monitoring:** The regulatory generator shall monitor the continued generation of emission reductions using the following tamper-proof equipment:
  - (1) TSE-based dataloggers for recording truck plug-in and TSE runtime; and
  - (2) TSE-based electricity flow meters for recording TSE electricity consumption.
  - (3) All monitoring equipment shall be operated and maintained in accordance with the manufacturer's written instructions.
- c. Recordkeeping:** A regulatory generator is responsible for creating and maintaining records from the emission reduction monitoring as required in:
  - (1) Section 501 (Recordkeeping and Records Retention);
  - (2) Section 502 (Inspections); and
  - (3) Section 503 (Truck Stop Electrification (TSE) Records).
- d. Maintenance of Electrified Truck Stop Parking Space:** A regulatory generator shall maintain each electrified truck stop parking space used to generate certified credits.

**304** **TRANSPORT REFRIGERATION UNIT (TRU):** A regulatory generator that reduces truck and trailer TRU emissions by using electricity to power electric standby equipped TRUs:

**304.1** May apply to certify ERCs by meeting the following requirements:

- a. Location:** Electric standby equipped TRUs shall be located within a nonattainment area located within the jurisdiction of the MCAQD.
- b. Quantification of Baseline Emissions:** The regulatory generator shall quantify baseline emissions from each electric standby equipped TRU following the calculation methodology in Appendix B (Calculations for Determining Emission Reductions from Each Electric Standby Equipped TRU).
- c. Quantification of Emission Reductions:**
  - (1)** The regulatory generator shall:
    - (a)** Quantify the amount of emission reductions from each electric standby equipped TRU following the calculation methodology in Appendix B (Calculations for Determining Emission Reductions from Each Electric Standby Equipped TRU).
    - (b)** Calculate the amount of emission reductions as rounded down to the nearest one tenth (1/10) of a ton.
  - (2)** Calculations shall not include emission reductions created or used under any other emissions trading program or emission reductions used to satisfy the State Implementation Plan including transportation conformity requirements, emission reductions funded by the Diesel Emissions Reduction Act, or any emission reductions pursuant to a federal consent decree, or state and local settlements.

**304.2** Shall comply with all of the following operating, monitoring, recordkeeping, and maintenance requirements:

- a. Electric Standby Equipped TRU Operation and Maintenance:** Electric standby equipped TRUs shall be operated and maintained in accordance with the manufacturer's written instructions in order to ensure the continued generation of emission reductions.
- b. Emission Reduction Monitoring:** The regulatory generator shall monitor the continued generation of emission reductions by utilizing tamper-proof data acquisition systems installed on each TRU to quantify:
  - (1)** The electric standby operation; and
  - (2)** The associated electricity consumption.
  - (3)** All monitoring equipment shall be operated and maintained in accordance with the manufacturer's written instructions.
- c. Recordkeeping:** A regulatory generator is responsible for creating and maintaining records from the emission reduction monitoring as required in:
  - (1)** Section 501 (Recordkeeping and Records Retention);
  - (2)** Section 502 (Inspections); and
  - (3)** Section 504 (Transport Refrigeration Unit (TRU) Records).

**305** **ONSITE EQUIPMENT:** A regulatory generator that owns a fleet of onsite equipment and electrifies all or part of the fleet to reduce emissions:

**305.1** May apply to certify ERCs by meeting the following requirements:

- a. Location:** The electrified onsite equipment used to generate credits shall be part of the same fleet and operated at the same location within a nonattainment area located within the jurisdiction of the MCAQD.
- b. Quantification of Baseline Emissions:** The regulatory generator shall quantify baseline emissions for each piece of onsite equipment following the calculation methodology in Appendix C (Calculations for Determining Emission Reductions from Each Piece of Onsite Equipment).
- c. Quantification of Emission Reductions:**
  - (1)** The regulatory generator shall:
    - (a)** Quantify the amount of emission reductions for each piece of onsite equipment following the calculation methodology in Appendix C (Calculations for Determining Emission Reductions from Each Piece of Onsite Equipment).
    - (b)** Calculate the amount of emission reductions as rounded down to the nearest one tenth (1/10) of a ton.
  - (2)** Calculations shall not include emission reductions created or used under any other emissions trading program, emission reductions used to satisfy the State Implementation Plan including transportation conformity requirements,

or any emission reductions pursuant to a federal consent decree, or state and local settlements.

**305.2** Shall comply with all of the following operating, monitoring, repowering, removal/disposal, recordkeeping, and maintenance requirements:

- a. Electrified Onsite Equipment Operation and Maintenance:** Electrified onsite equipment shall be operated and maintained in accordance with the manufacturer's written instructions in order to ensure the continued generation of emission reductions.
- b. Monitoring of Equipment Use:** The regulatory generator shall monitor the use of all electrified equipment used to generate credits and all diesel and gasoline powered equipment used for the same purpose as the electrified equipment to verify that the electrified equipment is operated in the same manner as was represented in the emission reduction credit application. All monitoring equipment shall be operated and maintained in accordance with the manufacturer's written instructions.
- c. Repowering of Equipment to Electric:** Repowering equipment by converting a diesel or gasoline engine to an electric powered engine shall:
  - (1)** Be permanent.
  - (2)** Be repowered to only operate electrically.
- d. Removal/Disposal of Replaced Equipment:** Permanently remove any replaced diesel and or gasoline powered onsite equipment and engines from the nonattainment area or render the replaced equipment permanently disabled and dispose of in a manner that complies with all applicable local, state, and federal laws. The regulatory generator shall provide evidence of proper disposal upon request from the Control Officer or from the permitted source using the ERCs as offsets.
- e. Recordkeeping:** A regulatory generator is responsible for creating and maintaining records from the emission reduction monitoring as required in:
  - (1)** Section 501 (Recordkeeping and Records Retention);
  - (2)** Section 502 (Inspections); and
  - (3)** Section 505 (Onsite Equipment Records).

**306** **REGISTRATION OF CERTIFIED CREDITS IN THE ARIZONA EMISSIONS BANK:** The owner or operator of a permitted generator or a regulatory generator may register certified credits with the Arizona Emissions Bank. To register a certified credit:

**306.1** **Owner or Operator:** The owner or operator of a permitted generator or regulatory generator shall:

- a.** Indicate on the MCAQD emission reduction credit application their plan to register the certified credits in the Arizona Emission Bank; and
- b.** Open an Arizona Emissions Bank account per A.A.C. R18-2-1206.A.

**306.2 Control Officer:** The Control Officer shall notify the ADEQ of the number of certified credits issued to the permitted generator or regulatory generator on a form prescribed by the ADEQ.

**307 USE OF THE CERTIFIED CREDITS:**

**307.1 Certified Credits Registered in the Arizona Emissions Bank:**

- a.** An account holder who intends to use the certified credits held in its account as offsets shall file an application to use the certified credits on the form prescribed by the ADEQ.
- b.** On approval of the application, the ADEQ shall:
  - (1)** Issue a certificate to the account holder representing the number of certified credits that may be included in the permit or permit revision application of the stationary source;
  - (2)** Notify the Control Officer of the issuance of the certificate; and
  - (3)** Change the status of the certified credits to use approved.
- c.** The Control Officer shall provide notice to the ADEQ of the final action on the stationary source's application for a permit or for a permit revision.
- d.** Reductions in qualifying emissions reflected in the number of certified credits shall be implemented before actual construction of the new stationary source or modification begins.

**307.2 Certified Credits Not Registered in the Arizona Emissions Bank:**

- a.** The owner or operator of a stationary source who intends to use certified credits that are not registered in the Arizona Emissions Bank as offsets shall:
  - (1)** Notify the MCAQD of the intention to use the certified credits as an offset to meet emission limits; and
  - (2)** Submit the certificate of issued certified credits to the MCAQD in conjunction with a stationary source permit application or permit revision.
- b.** The Control Officer shall either:
  - (1)** Approve the use of the certified credits as offsets and:
    - (a)** Notify the owner or operator of the number of certified credits that may be included in the permit or permit revision application of the stationary source; and
    - (b)** If there are any remaining available certified credits, the Control Officer will reissue the certificate with a sequential revision number. This will provide documentation on the availability of the remaining certified credits.
  - (2)** Deny the use of use of the certified credits for offsets and:
    - (a)** Provide written notification of the reason for denying the use of the certified credits as offsets; and

(b) Return the certificate of issued certified credits to the owner or operator of the stationary source.

**307.3 Maintaining Surplus Integrity Criteria:** In order to maintain the surplus integrity criteria, the Control Officer may revise the amount of previously issued certified credits at the time of the credit's use.

## **SECTION 400 – ADMINISTRATIVE REQUIREMENTS ~~(NOT APPLICABLE)~~**

### **401 OFFSET INTEGRITY RESPONSIBILITIES:**

**401.1** Every six (6) months, a permitted source that uses certified credits from a regulatory generator as offsets shall:

- a. Obtain copies of the records from the regulatory generator required under Section 500 (Monitoring and Records).
- b. Ensure the records correspond to the semi-annual compliance reporting time frame required by the permit holder's Title V Air Quality Operating Permit.
- c. Review the records to verify that the emission reductions generated by the regulatory generator equal the amount of certified credits used as offsets for the permitted source.
- d. Include the regulatory generator records in the semi-annual report.

**401.2** Every six (6) months, a permitted source that uses certified credits from a plan generator as offsets shall:

- a. Obtain copies of the records the plan generator is required to maintain per the Arizona State Implementation Plan.
- b. Ensure the records correspond to the semi-annual compliance reporting time frame required by the permit holder's Title V Air Quality Operating Permit.
- c. Review the records to verify that the emission reductions generated by the plan generator equal the amount of certified credits issued by ADEQ for use as offsets.
- d. Include the plan generator records in the semi-annual report.

#### **401.3 Offset Shortage:**

- a. If a permitted source determines emission reductions being generated by the regulatory generator or plan generator are less than the amount of certified credits the permitted source used to obtain their New Source Review (NSR) permit, the permitted source shall:

(1) Notify the Control Officer by phone within 24 hours of the discovery.

(2) Submit written notice:

(a) Within 72 hours from the date of discovery documenting the shortage of emission reductions to the Control Officer. The written notice may be submitted by mail, email, facsimile, commercial delivery, or hand delivery.

- (b) To include:
      - (i) A description of the shortage of emission reductions.
      - (ii) Steps taken to mitigate the emissions to compensate for the shortage of emission reductions.
    - (3) Within 72 hours from the date of discovery, limit operations to compensate for the shortage in emission reductions.
    - (4) Compensate for the ongoing shortage of emission reductions by submitting a permit application within 90 days that meets one of the following:
      - (a) Limits emissions.
      - (b) Provides replacement offsets.
      - (c) Is a combination of (a) and (b).
  - b. A permitted source that operates without adequate offsets is in violation of these rules.

## **SECTION 500 - MONITORING AND RECORDS ~~(NOT APPLICABLE)~~**

- 501 RECORDKEEPING AND RECORDS RETENTION:** Records and data required by this section shall be:
  - 501.1** Kept on site at all times by the generator in a consistent and complete manner, in either electronic or paper format.
  - 501.2** Made available upon request and without delay to the owner or operator of the permitted source utilizing the certified credits and the Control Officer or his designee.
  - 501.3** Maintained for five (5) years beyond the use or retirement of the credit.
- 502 INSPECTIONS:** A generator shall provide the Control Officer with access to the premises for the purpose of conducting an inspection to verify compliance with this rule. An inspection may include, but is not limited to, a review of records and reports.
- 503 TRUCK STOP ELECTRIFICATION (TSE) RECORDS:** A regulatory generator shall maintain the following records:
  - 503.1 Inventory Records:** A detailed inventory of fleet trucks used to generate credits shall include all of the following:
    - a. For each fleet truck utilizing the private truck stop provide:**
      - (1) Fleet identification number.**
      - (2) The truck manufacturer.**
      - (3) Truck model.**
      - (4) Truck model year.**



- b. Information on sources used to obtain idling speed, idling emission rate, or fuel use rate for each truck engine when used to calculate emission reduction credits.
- c. The date each truck was:
  - (1) Added to the inventory.
  - (2) Removed from the inventory.
- d. **Monthly:** The regulatory generator shall review and, if necessary, update the equipment inventory.

**503.2 Operational Records:**

- a. **Daily:** The regulatory generator shall record the number of hours, as rounded to the nearest quarter hour, the idle reduction technology is used for each electrified parking space using TSE-based dataloggers for recording truck plug-in and TSE runtime.
- b. **Monthly:** The regulatory generator shall record all of the following for each calendar month:
  - (1) The number and availability of electrified truck stop spaces.
  - (2) Dates and description of maintenance and repairs to the idle reduction technology conducted at each electrified truck space.
  - (3) An electricity consumption record for each electrified truck space.

**503.3 Emission Reductions Records:** Within fifteen (15) days of the end of each month, the regulatory generator shall:

- a. Calculate the amount of emission reductions generated from each electrified truck space during the preceding month using the methodology in Appendix A (Calculations for Determining Emission Reductions from Each Electrified Truck Space).
- b. Calculate a rolling twelve (12) month total of emission reductions.
- c. If the rolling 12-month total is less than the amount of emission reduction credits originally certified, the regulatory generator shall, within 24 hours, notify:
  - (1) The Control Officer; and
  - (2) The permitted source relying on the certified credits as offsets.

**504 TRANSPORT REFRIGERATION UNIT (TRU) RECORDS:** A regulatory generator shall maintain the following records:

**504.1 Inventory Records:** A detailed inventory of fleet electric standby equipped truck and or trailer TRUs used to generate credits shall include all of the following:

- a. For each electric standby equipped truck and or trailer TRU used to generate credits the following:
  - (1) Fleet identification number.
  - (2) The TRU manufacturer.

- (3) The TRU model.
- (4) The TRU model year.
- b. The date each electric standby equipped truck and or trailer TRU was:
  - (1) Added to the inventory.
  - (2) Removed from the inventory.
- c. **Monthly:** The regulatory generator shall review and, if necessary, update the equipment inventory.

**504.2 Operational Records:**

- a. **Daily:** For each electric standby equipped TRU, the regulatory generator shall record the number of hours, as rounded to the nearest quarter of an hour, the electric standby equipped TRU utilizes electric power.
- b. **Monthly:** The regulatory generator shall record:
  - (1) The date and a description of maintenance and repairs to each:
    - (a) Electrical standby equipped TRU.
    - (b) Electric power connection.
  - (2) Electricity consumption records for each electric standby equipped TRU.

**504.3 Emission Reductions Records:** Within fifteen (15) days of the end of each month, the regulatory generator shall:

- a. Calculate the amount of emission reductions generated from each electric standby equipped TRU during the preceding month using the methodology in Appendix B (Calculations for Determining Emission Reductions from Each Electric Standby Equipped TRU).
- b. Calculate a rolling twelve (12) month total of emission reductions.
- c. If the rolling 12-month total is less than the amount of emission reduction credits originally certified, the regulatory generator shall, within 24 hours, notify:
  - (1) The Control Officer; and
  - (2) The permitted source relying on the certified credits as offsets.

**505 ONSITE EQUIPMENT RECORDS:** A regulatory generator shall maintain the following records:

**505.1 Electrified Fleet Inventory Records:** A detailed inventory of all electrified fleet onsite equipment used to generate credits shall include all of the following:

- a. For each piece of onsite equipment, provide all of the following:
  - (1) The equipment manufacturer.
  - (2) The model number.
  - (3) The model year.

- (4) The equipment category.
- (5) A description of the equipment.
- b. Information on sources used to obtain family or test group, fuel capacities, and emission rates of each onsite equipment engine when used to calculate emission reduction credits.
- c. The date each piece of onsite equipment was:
  - (1) Added to the inventory.
  - (2) Repowered.
  - (3) Removed from the inventory.

**505.2 Diesel and Gasoline Fleet Inventory Records:** A detailed inventory of all fleet diesel and gasoline powered onsite equipment used for the same purpose as electrified equipment that includes all of the following:

- a. For each piece of onsite equipment, provide all of the following:
  - (1) The equipment manufacturer.
  - (2) The model number.
  - (3) The model year.
  - (4) The equipment category.
  - (5) A description of the equipment.
  - (6) Fuel type.
- b. The date each piece of onsite equipment was:
  - (1) Added to the inventory.
  - (2) Repowered.
  - (3) Removed from the inventory.

**505.3 Monthly:** The regulatory generator shall review and, if necessary, update the equipment inventory.

**505.4 Operational Records:**

- a. **Monthly:** For each electrified piece of onsite equipment used to generate credits, the regulatory generator shall record a description of all maintenance and repairs and at least one of the following to demonstrate the equipment is used in the same manner as was represented in the emission reduction credit application:
  - (1) Hours of operation.
  - (2) Mileage accrued.
  - (3) Electricity consumed.
- b. **Monthly:** For each piece of conventionally-fueled onsite equipment that can be used for the same purpose as the electrified piece of equipment used to generate

credits, the regulatory generator shall record a description of all maintenance and repairs and at least one of the following:

(1) Hours of operation.

(2) Mileage accrued.

(3) Fuel consumed.

## APPENDIX A

### CALCULATIONS FOR DETERMINING EMISSION REDUCTIONS FROM EACH ELECTRIFIED TRUCK SPACE

- A.** Baseline Emissions = Annual Utilization (hrs) × Truck Idling Pollutant Emission Factor (g/hr)
1. Where g is grams of pollutant and hr is hour or hours.
  2. The truck idling pollutant emissions factor is the Model Year 2007 emission rate or the most recent applicable federal truck emission standard.
  3. Annual utilization is the aggregate number of hours (annual average using historical data for most recent and representative two-year period) of actual long duration idling that is directly displaced by truck stop electrification utilization for the truck type. Where available, these data shall be obtained from truck telematics or datalogging data. If such data are unavailable, the applicant shall submit data logs, records, or receipts showing length of time fleet trucks have been resident at the private truck stop location to be equipped with TSE, and the periods of time truck engines were operated at those locations.
  4. The above calculations yield gm/year. To obtain tons/yr, the regulatory quantity, multiply by  $1.1 \times 10^{-6}$ .
- B.** Post project emissions for truck stop electrification utilization (elimination of truck idling while operating on electricity) is zero. The regulatory generator shall propose a factor for TSE utilization (i.e. the proportion of eligible truck idling time that, on an annual average, will be used each electrified truck space.) This proportion will become an enforceable limit on each certified credit.
- C.** The amount of eligible emission reduction credits for each electrified truck space is determined by subtracting post project emissions from baseline emissions.

## **APPENDIX B**

### **CALCULATIONS FOR DETERMINING EMISSION REDUCTIONS FROM EACH ELECTRIC STANDBY EQUIPPED TRU**

- A.** Baseline Emissions = Rated HP × Load Factor × Annual Utilization (hrs/year) × Pollutant Emission Factor (g/hp-hr)
- 1.** Where g is grams of pollutant, hp is horsepower, and hr is hour or hours.
  - 2.** Pollutant emissions factor is the emission rate allowed by the federal standard currently applicable to the source category to which the TRU equipment belongs.
  - 3.** Rated HP is the TRU engine power rating as certified by the manufacturer in meeting the currently applicable federal standard.
  - 4.** Load factor is the unitless fraction of the engine's rated power that is utilized in performing an average annual duty cycle and is derived from actual operational data.
  - 5.** Annual utilization is the aggregate number of hours (annual average using historical data for most recent and representative two-year period) of actual TRU utilization that is directly displaced by the use of electric standby equipped TRU and electricity from the electric power grid.
  - 6.** The above calculations yield gm/year. To obtain tons/yr, the regulatory quantity, multiply by  $1.1 \times 10^{-6}$ .
- B.** Post project emissions for all-electric equipment is zero.
- C.** The amount of eligible emissions reductions credits for each TRU is determined by subtracting post project emissions from baseline emissions.

## APPENDIX C

### CALCULATIONS FOR DETERMINING EMISSION REDUCTIONS FROM EACH PIECE OF ONSITE EQUIPMENT

- A.** Baseline Emissions = Rated HP × Load Factor × Annual Utilization (hrs/year) × Pollutant Emission Factor (g/hp-hr)
1. Where g is grams of pollutant, hp is horsepower, and hr is hour or hours.
  2. Pollutant emissions factor is the emission rate allowed by the federal standard currently applicable to the source category to which the equipment belongs.
  3. Rated HP is the onsite equipment engine power rating as certified by the manufacturer in meeting the currently applicable federal standard.
  4. Load factor is the unitless fraction of the engine's rated power that is utilized in performing an average annual duty cycle and is derived from the last two years of actual operational data.
  5. Annual utilization is the aggregate number of hours (annual average using historical data for the most recent and representative two-year period) of actual onsite equipment utilization.
  6. The above calculations yield gm/year. To obtain tons/yr, the regulatory quantity, multiply by  $1.1 \times 10^{-6}$ .
- B.** Post project emissions for all-electric equipment is zero.
- C.** The amount of eligible emission reduction credits for each electrified piece of onsite equipment is determined by subtracting post project emissions from baseline emissions.

**Print****Citizen Comments - Submission #183041****Date Submitted: 12/10/2019**

Each Regulatory Department is committed to providing opportunities for stakeholder input regarding the adoption and amendment of all regulatory requirements. Your input will be collected and forwarded to the appropriate department. You will receive a written response from the applicable department within two business days. We appreciate your comments and your time.

**Case Number/Rule\***

AQ-2017-011 Rule 204 Emission Reduction Credit for use with the Arizona Emissions Bank

**Department**

Air Quality

**I would like to \***

Express opposition

**First Name\***

Laura

**Last Name\***

Yannayon

**Organization**

Environmental Protection Agency

**City\***

San Francisco

**Zip**

94105

**Email\***

yannayon.laura@epa.gov

**Phone Number\***

415-972-3534

**Phone Type**

Mobile



Work



Home

**Would you like someone to contact you?**

Yes



No

**Comments**

If applicable, attach supporting documentation associated with your comment.

Maricopa board ltr.pdf





**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY**  
**REGION IX**  
75 Hawthorne Street  
San Francisco, CA 94105

**Maricopa County Air Quality Department**

**Comments Regarding the Proposed Adoption of Rule 204 –Emission Reduction Credits for Use with the Arizona Emissions Bank**

The United States Environmental Protection Agency (EPA), Region 9 is providing comments regarding the Maricopa County Air Quality Department (MCAQD) proposed revisions to Rule 204 – *Emission Reduction Credits for Use with the Arizona Emissions Bank*.

First, we would like to acknowledge the engagement of the MCAQD with EPA staff as both agencies work to ensure emission reduction credits (ERCs) generated under Rule 204 will meet applicable federal statutory and regulatory requirements. The cooperative work by both agencies has led to proposed revisions that have the potential to improve Rule 204.

Rule 204 largely mirrors the provisions of Arizona Department of Environmental Quality's recently adopted ERC banking rule, however, the proposed revisions include several new provisions for generating ERCs from nontraditional sources, such as truck stop electrification, electric standby equipped transport refrigeration units, and electric onsite equipment. EPA is concerned that these proposed revisions do not fully satisfy all CAA statutory and regulatory requirements. These issues may affect EPA's ability to approve these revisions into the Arizona State Implementation Plan (SIP). We believe additional work is necessary to ensure that revised Rule 204 will meet the integrity criteria for offsets: quantifiable, surplus to all CAA requirements, permanent, and federally enforceable.

Typically, traditional ERCs are created through voluntary actions such as shutting down emission units or installation of additional emission controls. Agencies might work with specific source categories to reduce emissions below federally required limits to generate surplus emission reductions that can be used for economic growth. We believe there may be these types of opportunities to generate ERCs in Maricopa County.

For many years, EPA has worked with various local permit authorities to develop rules that will provide ERCs from non-traditional sources. Successful programs included provisions tailored to the specific type of source category generating the ERCs to ensure the offset integrity criteria were met. Additionally, certain source categories might have greater potential for generating ERCs that can meet the offset integrity criteria. For example, options might include adding controls to rail switching yards or electrification of ground support equipment used at airports. In light of these issues, we suggest that Maricopa County consider delaying approval of the proposed revisions to Rule 204 to allow us to continue working with MCAQD staff to develop an ERC generating rule that meets all CAA requirements.

We look forward to continuing to work with Maricopa County to protect air quality. If you have any questions or concerns regarding the list of issues, please feel free to contact my staff Laura Yannayon at (415) 972-3534, or [Yannayon.Laura@epa.gov](mailto:Yannayon.Laura@epa.gov).

Sincerely,

*Laura Yannayon*

for Gerardo C. Rios  
Manager, Air Permits Office  
Air and Radiation Division

**REVISION TO THE ARIZONA STATE IMPLEMENTATION PLAN (SIP)**

**RULE 204 OF THE MCAPCR**

**APPENDIX 10:  
RELEVANT ARIZONA REVISED STATUTES**

49-410. Voluntary Arizona Emissions Bank; definitions

A. The department shall establish and administer a voluntary Arizona emissions bank for registering the deposit, transfer and use of emission reduction credits. The department shall make information on emission reduction credits deposited in the voluntary Arizona emissions bank easily accessible to the public.

B. This state, any political subdivision of this state and any person that reduces qualifying emissions may apply to the department to certify emission reduction credits to be deposited into the voluntary Arizona emissions bank. To be eligible for certification and deposit in the voluntary Arizona emissions bank, the reduction in qualifying emissions shall be permanent, quantifiable, surplus, real and otherwise enforceable and shall occur after August 6, 1999. This section does not prohibit an activity from receiving credit by means other than the voluntary Arizona emissions bank for emissions reductions.

C. The department shall act on an application submitted under subsection B of this section and certify the amount of the emission reduction credits under rules adopted pursuant to subsection D of this section before the credits may be deposited and used to offset future increases in emissions of air pollutants. Pursuant to title 41, chapter 6, article 8, 1 the department may delegate certification of emission reduction credits to a county or multi-county air quality control region, but shall retain authority to register the deposit, transfer and use of emission reduction credits and administer the voluntary Arizona emissions bank.

D. The department shall adopt rules for the implementation and administration of the voluntary Arizona emissions bank, and establish the criteria the department will use to determine the eligibility of reductions in qualifying emissions for emission reduction credits and the amount of the credits. Except to the extent otherwise required by the clean air act, the rules shall provide for the award of emission reduction credits equal to the full amount of reductions in qualifying emissions that are permanent, quantifiable, surplus, real and otherwise enforceable. The department shall establish by rule a fee system to cover the reasonable costs of administering the voluntary Arizona emissions bank. A county that has been delegated authority to certify emission reduction credits pursuant to subsection C of this section may establish a fee system to cover the reasonable costs of certification in accordance with § 49-112, subsection B. In adopting rules pursuant to this subsection, the department and a county shall consider and make reasonable attempts to mitigate any adverse impact on the commercial trucking industry, including any adverse economic impact and any impact on driver safety.

E. Except to the extent otherwise required by the clean air act, until used or voluntarily retired by the owner, emission reduction credits deposited in the bank:

1. Do not expire.
2. Shall be identified and accounted for in the state implementation plan control strategy for the area in which the reduction in emissions occurred.
3. May not be reduced or withdrawn without permission of the owner.

F. Notwithstanding any other law, this section does not directly or indirectly authorize this state or any political subdivision of this state to establish new or more stringent emissions regulations than provided in existing law for stationary or mobile sources.

G. A fleet owner that applies for emission reduction credits pursuant to this subsection shall specify the composition of its proposed participating fleet.

H. For the purposes of this section, unless the context otherwise requires:

1. "Emission reduction credit" means a reduction in qualifying emissions that has been certified for potential use as an offsetting emission reduction in a permit issued under this chapter, including a permit required by section 173 of the Clean Air Act.
2. "Qualifying emissions" means emissions of any conventional air pollutant, other than elemental lead, or any precursor of a conventional air pollutant from any activity. Qualifying emissions does not include emissions from a fleet of motor vehicles if the fleet operates outside of a nonattainment area.

#### 49-112. County regulation; standards

A. When authorized by law, a county may adopt a rule, ordinance or regulation that is more stringent than or in addition to a provision of this title or rule adopted by the director or any board or commission authorized to adopt rules pursuant to this title if all of the following requirements are met:

1. The rule, ordinance or regulation is necessary to address a peculiar local condition.
2. There is credible evidence that the rule, ordinance or regulation is either:
  - (a) Necessary to prevent a significant threat to public health or the environment that results from a peculiar local condition and is technically and economically feasible.
  - (b) Required under a federal statute or regulation, or authorized pursuant to an intergovernmental agreement with the federal government to enforce federal statutes or regulations if the county rule, ordinance or regulation is equivalent to federal statutes or regulations.
3. Any fee or tax adopted under the rule, ordinance or regulation does not exceed the reasonable costs of the county to issue and administer the permit or plan approval program.

B. When authorized by law, a county may adopt rules, ordinances or regulations in lieu of a state program that are as stringent as a provision of this title or rule adopted by the director or any board or commission authorized to adopt rules pursuant to this title if the county demonstrates that the cost of obtaining permits or other approvals from the county will approximately equal or be less than the fee or cost of obtaining similar permits or approvals under this title or any rule adopted pursuant to this title. If the state has not adopted a fee or tax for similar permits or approvals, the county may adopt a fee when authorized by law in the rule, ordinance or regulation that does not exceed the reasonable costs of the county to issue and administer that permit or plan approval program.

C. A county that adopts rules, ordinances or regulations pursuant to subsection B of this section and that at any time cannot comply with subsection B of this section shall prepare and file a notice of noncompliance with the director. The county shall post a copy of the notice of noncompliance on the county's website with a date stamp of the date of posting. If the county does not comply with subsection B of this section within one year after posting of the notice on the county's website, the director shall provide written notice to and assert regulatory jurisdiction over those persons and entities subject to the affected county rules, ordinances or regulations.

D. Except as provided in chapter 3, article 3 of this title, before adopting or enforcing any rule, ordinance or regulation pursuant to subsection A or B of this section, the county shall comply with the following requirements:

1. Prepare a notice of proposed rulemaking to include the proposed rule, ordinance or regulation. This notice shall demonstrate evidence of compliance with subsection A or B of this section. The notice shall include the name, address and phone number of a person who can answer questions about the proposed rule, ordinance or regulation and accept any written requests for the county to conduct an oral proceeding. The county shall post the notice on the county's website with a date stamp of the date of posting. The county shall publish the availability of the notice of the proposed rule, ordinance or regulation in a newspaper of general circulation in the county. If there is no newspaper of general circulation in the county, the county shall publish the notice in a newspaper of general circulation in an adjoining county. If requested by the public, the county shall make available a paper copy of the notice at a reasonable cost.
2. For at least thirty days after the posting of the notice of the proposed rule, ordinance or regulation, afford persons the opportunity to submit in writing comments, statements, arguments, data and views on the proposed rule, ordinance or regulation.
3. Respond in writing to the comments submitted pursuant to paragraph 2 of this subsection and post the county's response on the county's website. If requested by the public, the county shall make paper copies of its comments available at a reasonable cost.
4. Schedule a public hearing on the proposed rule, ordinance or regulation if a written request for an oral proceeding is submitted to the county during the thirty-day comment period. The county shall post the notice of oral proceeding on a proposed rule, ordinance or regulation on the county's website. The county shall post the notice of oral proceeding at least twenty days before the date of the oral proceeding. The county shall publish notice of any public hearing required pursuant to this paragraph in any newspaper as prescribed by this title or county ordinance. The county shall select a time and location for the public hearing that affords a reasonable opportunity for the public to participate.

E. A county is not required to comply with subsection D, paragraphs 2, 3 and 4 of this section before it adopts or enforces a rule, ordinance or regulation if the rule, ordinance or regulation only incorporates by reference an existing state or federal rule or law that provides greater regulatory flexibility for regulated parties and otherwise satisfies the requirements prescribed in subsection B of this section.

F. Until June 30, 1995, a person may file with the clerk of the board of supervisors for that county a petition challenging a county rule, ordinance or regulation adopted before July 15, 1994 for compliance with the criteria set forth in subsection A or B of this section. The petition shall contain the grounds for challenging the specific county rule, ordinance or regulation. Within one year after the petition is filed, the board of supervisors shall review the challenged rule, ordinance or regulation and make a written demonstration of compliance with the criteria set forth in subsection A or B of this section and challenged in the petition. Any rules, ordinances or regulations that have been challenged and for which the board of supervisors has not made the written demonstration within one year after the filing of the petition required by this section become unenforceable as of that date.

If a county has already made a written demonstration under section 49-479, subsection C, for a rule, ordinance or regulation, the person filing the petition shall state the specific grounds in the petition why that demonstration does not meet the requirements of this section.

G. A rule, ordinance or regulation adopted pursuant to subsection A of this section may not be invalidated subsequent to its adoption on the grounds that the economic feasibility analysis is insufficient or inaccurate if a county makes a good faith effort to comply with the economic feasibility requirement of subsection A, paragraph 2, subdivision (a), of this section and has explained in the written statement, made public pursuant to subsection D of this section, the methodology used to satisfy the economic feasibility requirement.

H. This section shall not apply to any rule, ordinance or regulation adopted by a county pursuant to:

1. Title 36 for which the state has similar statutory or rule making authority in this title.
2. Section 49-391.
3. Chapter 3, article 8 of this title.
4. Chapter 4, article 3 of this title and section 49-765.
5. Nonsubstantive rules relating to the application process that have a de minimis economic effect on regulated parties.

#### 49-471.09. County rule or ordinance making record

A. A control officer shall maintain for public inspection an archive of a rule or ordinance making record for each proposed rule or ordinance for which a notice is posted on the county's website and each final rule or ordinance posted on the county's website.

B. The county archive of a rule or ordinance making record shall contain all of the following:

1. Copies of all postings on the county's website with respect to the rule or ordinance.
2. All written petitions, requests, submissions and comments received by the county and all other written materials considered or prepared by a control officer in connection with the rule or ordinance.
3. Any official transcript of oral presentations made in the proceeding on which the rule or ordinance is based, and any tape recording or stenographic record of those presentations, and any memorandum summarizing the contents of those presentations.
4. A copy of any materials, documents or meeting minutes submitted to the board of supervisors.
5. A copy of the final rule or ordinance adopted by the board of supervisors and the preamble, concise explanatory statement and response to comments.

#### 49-474. County control boards

The board of supervisors of each county may authorize the board of health or health department of their respective counties in cooperation with the department of environmental quality to:

1. Study the problem of air pollution in the county.
2. Study possible effects on adjoining counties.
3. Cooperate with chambers of commerce, industry, agriculture, public officials and all other interested persons or organizations.
4. Hold public hearings if in their discretion such action is necessary.
5. The board of supervisors by resolution may establish an air pollution control district.

#### 49-479. Rules; hearing

A. The board of supervisors shall adopt such rules as it determines are necessary and feasible to control the release into the atmosphere of air contaminants originating within the territorial limits of the county or multi-county air quality control region in order to control air pollution, which rules, except as provided in subsection C shall contain standards at least equal to or more restrictive than those adopted by the director. In fixing such standards, the board or region shall give consideration but shall not be limited to:

1. The latest scientific knowledge useful in indicating the kind and extent of all identifiable effects on health and welfare which may be expected from the presence of an air pollution agent, or combination of agents in the ambient air, in varying quantities.
2. Atmosphere conditions and the types of air pollution agent or agents which, when present in the atmosphere, may interact with another agent or agents to produce an adverse effect on public health and welfare.
3. Securing, to the greatest degree practicable, the enjoyment of the natural attractions of the state and the comfort and convenience of the inhabitants.

B. No rule may be enacted or amended except after the board of supervisors first holds a public hearing after twenty days' notice of such hearing. The proposed rule, or any proposed amendment of a rule, shall be made available to the public at the time of notice of such hearing.

C. A county may adopt or amend a rule, emission standard, or standard of performance that is as stringent or more stringent than a rule, emission standard or standard of performance for similar sources adopted by the director only if the county complies with the applicable provisions of section 49-112.

D. All rules enacted pursuant to this section shall be made available to the public at a reasonable charge upon request.

**REVISION TO THE ARIZONA STATE IMPLEMENTATION PLAN (SIP)**

**RULE 204 OF THE MCAPCR**

**APPENDIX 11:  
RULE 204 ADOPTED DECEMBER 11, 2019**



**MARICOPA COUNTY  
AIR POLLUTION CONTROL REGULATIONS  
REGULATION II – PERMITS AND FEES**

**RULE 204  
EMISSION REDUCTION CREDIT (ERC) GENERATION, CERTIFICATION, AND  
USE**

**INDEX**

**SECTION 100 – GENERAL**

- 101 PURPOSE
- 102 APPLICABILITY

**SECTION 200 – DEFINITIONS**

- 201 ACCOUNT HOLDER
- 202 ARIZONA EMISSIONS BANK
- 203 BASELINE EMISSIONS
- 204 CERTIFIED CREDIT
- 205 ELECTRIC STANDBY EQUIPPED TRU
- 206 EMISSION REDUCTION CREDIT (ERC)
- 207 ENFORCEABLE
- 208 GENERATOR
- 209 IDLE REDUCTION TECHNOLOGY
- 210 LONG DURATION IDLING
- 211 OFFSET-CREATION RULE
- 212 OFFSETS
- 213 ONSITE EQUIPMENT
- 214 PERMANENT
- 215 PERMITTED GENERATOR
- 216 PLAN GENERATOR
- 217 PRIVATE TRUCK STOP
- 218 QUALIFYING EMISSIONS
- 219 QUANTIFIABLE
- 220 REAL
- 221 REGULATORY GENERATOR
- 222 SURPLUS

- 223 TRANSPORT REFRIGERATION UNIT (TRU)
- 224 TRUCK STOP ELECTRIFICATION (TSE)

### **SECTION 300 – STANDARDS**

- 301 CERTIFICATION OF CREDITS FOR EMISSION REDUCTIONS BY A PERMITTED GENERATOR
- 302 CERTIFICATION OF CREDITS FOR EMISSION REDUCTIONS BY A REGULATORY GENERATOR
- 303 TRUCK STOP ELECTRIFICATION (TSE)
- 304 TRANSPORT REFRIGERATION UNIT (TRU)
- 305 ONSITE EQUIPMENT
- 306 REGISTRATION OF CERTIFIED CREDITS IN THE ARIZONA EMISSIONS BANK
- 307 USE OF THE CERTIFIED CREDITS

### **SECTION 400 – ADMINISTRATIVE REQUIREMENTS**

- 401 OFFSET INTEGRITY RESPONSIBILITIES

### **SECTION 500 – MONITORING AND RECORDS**

- 501 RECORDKEEPING AND RECORDS RETENTION
- 502 INSPECTIONS
- 503 TRUCK STOP ELECTRIFICATION (TSE) RECORDS
- 504 TRANSPORT REFRIGERATION UNIT (TRU) RECORDS
- 505 ONSITE EQUIPMENT RECORDS

### **APPENDICES TO RULE 204**

APPENDIX A: CALCULATIONS FOR DETERMINING EMISSION REDUCTIONS FROM EACH ELECTRIFIED TRUCK SPACE

APPENDIX B: CALCULATIONS FOR DETERMINING EMISSION REDUCTIONS FROM EACH ELECTRIC STANDBY EQUIPPED TRU

APPENDIX C: CALCULATIONS FOR DETERMINING EMISSION REDUCTIONS FROM EACH PIECE OF ONSITE EQUIPMENT

**MARICOPA COUNTY  
AIR POLLUTION CONTROL REGULATIONS  
REGULATION II - PERMITS AND FEES**

**RULE 204  
EMISSION REDUCTION CREDIT (ERC) GENERATION, CERTIFICATION, AND  
USE**

**SECTION 100 – GENERAL**

- 101 PURPOSE:** To facilitate the creation and trading of emission reduction credits (ERCs) for use as offsets by providing a process for:
- 101.1** Creating emission reduction credits for reductions achieved by permitted generators and regulatory generators.
  - 101.2** Certifying credits as meeting offset requirements in advance of the certified credits' use for that purpose.
  - 101.3** Registering certified credits in the Arizona Emissions Bank.
  - 101.4** Using certified credits registered in the Arizona Emissions Bank.
  - 101.5** Using certified credits not registered in the Arizona Emissions Bank.
- 102 APPLICABILITY:** The provisions of this rule apply to the following persons and entities:
- 102.1** A permitted generator.
  - 102.2** A plan generator.
  - 102.3** A regulatory generator.
  - 102.4** The owner or operator of a permitted stationary source that intends to use certified credits as offsets.

**SECTION 200 – DEFINITIONS:** For the purpose of this rule, the following definitions shall apply in addition to those definitions found in Rule 100 (General Provisions and Definitions) of these rules. In the event of any inconsistency between any of the Maricopa County Air Pollution Control Regulations, the definitions in this rule take precedence.

- 201 ACCOUNT HOLDER:** Any person or entity who has opened an account with the Arizona Emissions Bank.
- 202 ARIZONA EMISSIONS BANK:** The system created by the Arizona Department of Environmental Quality (ADEQ) to record and make publicly available information on the issuance, certification, transfer, retirement, and use of emission reduction credits.
- 203 BASELINE EMISSIONS:** The average rate, in tons per year as rounded down to the nearest one tenth (1/10) of a ton, at which the generator actually emitted the pollutant during the two preceding calendars years, or two calendar years more representative of

normal emissions within the 5-year period immediately before the emissions reduction is achieved.

- 204 CERTIFIED CREDIT:** An ERC that has met the criteria in this rule for certification and has been issued by the Maricopa County Air Quality Department (MCAQD).
- 205 ELECTRIC STANDBY EQUIPPED TRU:** A transport refrigeration unit (TRU) with a refrigeration system that may be selectively powered by either an integral, diesel fueled internal combustion engine, or an integral, electric powered motor.
- 206 EMISSION REDUCTION CREDIT (ERC):** A reduction in qualifying emissions, expressed in tons per year as rounded down to the nearest one tenth (1/10) of a ton, for which a generator has submitted an application pursuant to this rule. ERCs do not have property rights associated with them.
- 207 ENFORCEABLE:** Specific measures for assessing compliance with an emissions limitation, control, or other requirement established in a permit or in this rule in a manner that allows compliance to be readily determined by, but not limited to, an inspection of records and reports.
- 208 GENERATOR:** Any permitted source or other activity that has made or proposes to make reductions in qualifying emissions.
- 209 IDLE REDUCTION TECHNOLOGY:** A technology or device that reduces the need for long duration idling.
- 210 LONG DURATION IDLING:** The operation of a diesel engine at a time in which the main drive engine is not engaged and in gear for a period greater than 15 consecutive minutes except when associated with routine stoppages due to traffic congestion or for the loading or processing of cargo.
- 211 OFFSET-CREATION RULE:** A Maricopa County Air Pollution Control Regulation that has been approved into the State Implementation Plan (SIP) and provides a method for allowing emission reductions from specific activities to qualify as offsets. Rule 242 (Emission Offsets Generated by the Voluntary Paving of Unpaved Roads) is an example of an offset-creation rule.
- 212 OFFSETS:** Reductions in emissions required under Rule 240 (Federal Major New Source Review (NSR)) of these rules.
- 213 ONSITE EQUIPMENT:** Mobile, nonroad industrial, and ground support equipment that are part of the same fleet and used at the same location such as equipment located at, but not limited to, an airport, a distribution center, or a rail yard.
- 214 PERMANENT:** Reductions in qualifying emissions that are enforceable and enduring for the duration of federal major new source review obligations.

- 215 **PERMITTED GENERATOR:** A generator that is a stationary source subject to a permit and that seeks credits for reductions that are, or will be made enforceable through a permit condition.
- 216 **PLAN GENERATOR:** A generator that intends to achieve or has achieved reductions in qualifying emissions in compliance with an emission reduction plan approved into the Arizona State Implementation Plan (SIP).
- 217 **PRIVATE TRUCK STOP:** A private place of business (non-commercial/non-public) that provides services and parking spaces to only its private fleet drivers and trucks.
- 218 **QUALIFYING EMISSIONS:** Emissions of any conventional air pollutant, other than elemental lead, or any precursor of a conventional air pollutant from any activity when generated within the Maricopa County nonattainment area associated with the conventional air pollutant.
- 219 **QUANTIFIABLE:** With respect to emissions, including the emissions involved in equivalent emission limits and emission trades, capable of being measured or otherwise determined in terms of quantity and addressed in terms of character. Quantification may be based on emission factors, stack tests, monitored values, operating rates, and averaging times, materials used in a process or production, modeling, or other reasonable measurement practices.
- 220 **REAL:** A reduction in actual emissions released to the air resulting from a physical change or change to the method of operations by a generator.
- 221 **REGULATORY GENERATOR:** A generator that has achieved reductions in qualifying emissions by compliance with an offset-creation rule.
- 222 **SURPLUS:** A reduction in qualifying emissions not otherwise required by a federally applicable requirement and not relied upon in the State Implementation Plan (SIP).
- 223 **TRANSPORT REFRIGERATION UNIT (TRU):** A refrigeration system powered by an integral, internal combustion engine designed to control the environment of temperature sensitive products that are stored in trucks and trailers. A TRU is capable of providing cooling or heating for truck and trailer cargo spaces.
- 224 **TRUCK STOP ELECTRIFICATION (TSE):** A stationary idle reduction technology that provides electricity to power on-board truck equipment in lieu of idling the main truck engine or using onboard auxiliary power units (APUs). Typically installed as Electrified Truck Spaces and Electrified Parking Spaces.

## SECTION 300 – STANDARDS

### 301 **CERTIFICATION OF CREDITS FOR EMISSION REDUCTIONS BY A PERMITTED GENERATOR:**

#### 301.1 **Application:**

- a. The owner or operator of a permitted generator may apply for certified credits for reductions in qualifying emissions at any time after filing either of the following with the Control Officer:
  - (1) An application for a permit revision seeking the imposition of conditions to make the reductions in qualifying emissions permanent and enforceable; or
  - (2) A notice of permit termination seeking to make the shutdown of a stationary source and the resulting reductions in qualifying emissions permanent and enforceable.
- b. An application for certified credits shall be filed with the Control Officer on the form prescribed by the MCAQD and shall include:
  - (1) Information on the identity, type, ownership, and location of the permitted generator.
  - (2) A description of the actions that have resulted or will result in the reductions in qualifying emissions;
  - (3) Information on the amount of and methodology for calculating the reductions in qualifying emissions for each pollutant subject to the application;
  - (4) Other information necessary to verify that the reductions in qualifying emissions qualify as permanent, quantifiable, surplus, enforceable, and real;
  - (5) The actual date or anticipated date of the reductions in qualifying emissions, as applicable; and
  - (6) A signed statement by a responsible official, as defined in Rule 100 (General Provisions and Definitions), verifying the truthfulness and accuracy of all information provided in the application.

**301.2 Action on Application:** The Control Officer shall review the application for credits and:

- a. Issue one certified credit for each ton, as rounded down to the nearest one tenth (1/10) of a ton, per year of reduction that qualifies as permanent, quantifiable, surplus, enforceable, and real; and
- b. Provide the applicant with a certificate representing the number of certified credits issued.
- c. If no emission reductions qualify to be certified, then no certified credits will be issued.

**301.3 Registration of Certified Credits in the Arizona Emissions Bank:** Certified credits may be registered in the Arizona Emissions Bank but registration is not required. See Section 306 (Registration of Certified Credits in the Arizona Emissions Bank) for procedures regarding registration of certified credits in the Arizona Emissions Bank.

## **302 CERTIFICATION OF CREDITS FOR EMISSION REDUCTIONS BY A REGULATORY GENERATOR:**

**302.1 Application:**

- a. The owner or operator of a regulatory generator may apply for credits for reductions in qualifying emissions at any time after complying with the applicable requirements in Section 303 (Truck Stop Electrification (TSE)), Section 304 (Transport Refrigeration Unit (TRU)), or Section 305 (Onsite Equipment).
- b. An application for credits shall be filed with the Control Officer on the form prescribed by the MCAQD and shall include the information found in Section 301.1.b.

**302.2 Action on Application:** The Control Officer shall review the application for credits and:

- a. Issue one certified credit for each ton, as rounded down to the nearest one tenth (1/10) of a ton, per year of reduction that qualifies as permanent, quantifiable, surplus, enforceable, and real.
- b. Provide the applicant with a certificate representing the number of certified credits issued.
- c. If no emission reductions qualify to be certified, then no credits will be issued.

**302.3 Registration of Certified Credits in the Arizona Emissions Bank:** Certified credits may be registered in the Arizona Emissions Bank but registration is not required. See Section 306 (Registration of Certified Credits in the Arizona Emissions Bank) for procedures regarding registration of certified credits in the Arizona Emissions Bank.

**303 TRUCK STOP ELECTRIFICATION (TSE):** A regulatory generator that owns a private truck stop and uses truck stop electrification idle reduction technology to reduce long duration idling emissions:

**303.1** May apply to certify ERCs by meeting the following requirements:

- a. **Truck Stop Location:** The truck stop electrification idle reduction technology used to generate credits shall be installed at a private truck stop that is located within a nonattainment area within the jurisdiction of the MCAQD.
- b. **Quantification of Baseline Emissions:** The regulatory generator shall quantify baseline emissions from each electrified truck space following the calculation methodology in Appendix A (Calculations for Determining Emission Reductions from Each Electrified Truck Space).
- c. **Quantification of Emission Reductions:**
  - (1) The regulatory generator shall:
    - (a) Quantify the amount of emission reductions from each electrified truck space following the calculation methodology in Appendix A (Calculations for Determining Emission Reductions from Each Electrified Truck Space).
    - (b) Calculate the amount of emission reductions as rounded down to the nearest one tenth (1/10) of a ton.

(2) Calculations shall not include:

- (a) Emission reductions created or used under any other emissions trading program, emission reductions used to satisfy the State Implementation Plan including transportation conformity requirements, emission reductions funded by the Diesel Emissions Reduction Act, or any emission reductions pursuant to a federal consent decree, or state and local settlements.
- (b) Emission reductions from the use of mobile idle reduction technology, such as auxiliary power units (APUs).

**303.2** Shall comply with all of the following operating, utilization, monitoring, recordkeeping, and maintenance requirements:

a. **Idle Reduction Technology Operation and Use:** Idle reduction technology shall be operated and maintained in accordance with the manufacturer's written instructions.

(1) Trucks using idle reduction technology shall:

- (a) Not use the truck's engine while using the idle reduction technology.
- (b) Be properly modified, if necessary, in accordance with the manufacturer's instructions, to allow for the use of the idle reduction technology.

b. **Emission Reduction Monitoring:** The regulatory generator shall monitor the continued generation of emission reductions using the following tamper-proof equipment:

- (1) TSE-based dataloggers for recording truck plug-in and TSE runtime; and
- (2) TSE-based electricity flow meters for recording TSE electricity consumption.
- (3) All monitoring equipment shall be operated and maintained in accordance with the manufacturer's written instructions.

c. **Recordkeeping:** A regulatory generator is responsible for creating and maintaining records from the emission reduction monitoring as required in:

- (1) Section 501 (Recordkeeping and Records Retention);
- (2) Section 502 (Inspections); and
- (3) Section 503 (Truck Stop Electrification (TSE) Records).

d. **Maintenance of Electrified Truck Stop Parking Space:** A regulatory generator shall maintain each electrified truck stop parking space used to generate certified credits.

**304** **TRANSPORT REFRIGERATION UNIT (TRU):** A regulatory generator that reduces truck and trailer TRU emissions by using electricity to power electric standby equipped TRUs:

**304.1** May apply to certify ERCs by meeting the following requirements:

a. **Location:** Electric standby equipped TRUs shall be located within a nonattainment area located within the jurisdiction of the MCAQD.



- b. **Quantification of Baseline Emissions:** The regulatory generator shall quantify baseline emissions from each electric standby equipped TRU following the calculation methodology in Appendix B (Calculations for Determining Emission Reductions from Each Electric Standby Equipped TRU).
- c. **Quantification of Emission Reductions:**
  - (1) The regulatory generator shall:
    - (a) Quantify the amount of emission reductions from each electric standby equipped TRU following the calculation methodology in Appendix B (Calculations for Determining Emission Reductions from Each Electric Standby Equipped TRU).
    - (b) Calculate the amount of emission reductions as rounded down to the nearest one tenth (1/10) of a ton.
  - (2) Calculations shall not include emission reductions created or used under any other emissions trading program or emission reductions used to satisfy the State Implementation Plan including transportation conformity requirements, emission reductions funded by the Diesel Emissions Reduction Act, or any emission reductions pursuant to a federal consent decree, or state and local settlements.

**304.2** Shall comply with all of the following operating, monitoring, recordkeeping, and maintenance requirements:

- a. **Electric Standby Equipped TRU Operation and Maintenance:** Electric standby equipped TRUs shall be operated and maintained in accordance with the manufacturer's written instructions in order to ensure the continued generation of emission reductions.
- b. **Emission Reduction Monitoring:** The regulatory generator shall monitor the continued generation of emission reductions by utilizing tamper-proof data acquisition systems installed on each TRU to quantify:
  - (1) The electric standby operation; and
  - (2) The associated electricity consumption.
  - (3) All monitoring equipment shall be operated and maintained in accordance with the manufacturer's written instructions.
- c. **Recordkeeping:** A regulatory generator is responsible for creating and maintaining records from the emission reduction monitoring as required in:
  - (1) Section 501 (Recordkeeping and Records Retention);
  - (2) Section 502 (Inspections); and
  - (3) Section 504 (Transport Refrigeration Unit (TRU) Records).

**305 ONSITE EQUIPMENT:** A regulatory generator that owns a fleet of onsite equipment and electrifies all or part of the fleet to reduce emissions:

**305.1** May apply to certify ERCs by meeting the following requirements:

- a. **Location:** The electrified onsite equipment used to generate credits shall be part of the same fleet and operated at the same location within a nonattainment area located within the jurisdiction of the MCAQD.
- b. **Quantification of Baseline Emissions:** The regulatory generator shall quantify baseline emissions for each piece of onsite equipment following the calculation methodology in Appendix C (Calculations for Determining Emission Reductions from Each Piece of Onsite Equipment).
- c. **Quantification of Emission Reductions:**
  - (1) The regulatory generator shall:
    - (a) Quantify the amount of emission reductions for each piece of onsite equipment following the calculation methodology in Appendix C (Calculations for Determining Emission Reductions from Each Piece of Onsite Equipment).
    - (b) Calculate the amount of emission reductions as rounded down to the nearest one tenth (1/10) of a ton.
  - (2) Calculations shall not include emission reductions created or used under any other emissions trading program, emission reductions used to satisfy the State Implementation Plan including transportation conformity requirements, or any emission reductions pursuant to a federal consent decree, or state and local settlements.

**305.2** Shall comply with all of the following operating, monitoring, repowering, removal/disposal, recordkeeping, and maintenance requirements:

- a. **Electrified Onsite Equipment Operation and Maintenance:** Electrified onsite equipment shall be operated and maintained in accordance with the manufacturer's written instructions in order to ensure the continued generation of emission reductions.
- b. **Monitoring of Equipment Use:** The regulatory generator shall monitor the use of all electrified equipment used to generate credits and all diesel and gasoline powered equipment used for the same purpose as the electrified equipment to verify that the electrified equipment is operated in the same manner as was represented in the emission reduction credit application. All monitoring equipment shall be operated and maintained in accordance with the manufacturer's written instructions.
- c. **Repowering of Equipment to Electric:** Repowering equipment by converting a diesel or gasoline engine to an electric powered engine shall:
  - (1) Be permanent.
  - (2) Be repowered to only operate electrically.
- d. **Removal/Disposal of Replaced Equipment:** Permanently remove any replaced diesel and or gasoline powered onsite equipment and engines from the nonattainment area or render the replaced equipment permanently disabled and dispose of in a manner that complies with all applicable local, state, and federal laws. The regulatory generator shall provide evidence of proper disposal upon

request from the Control Officer or from the permitted source using the ERCs as offsets.

- e. **Recordkeeping:** A regulatory generator is responsible for creating and maintaining records from the emission reduction monitoring as required in:

- (1) Section 501 (Recordkeeping and Records Retention);

- (2) Section 502 (Inspections); and

- (3) Section 505 (Onsite Equipment Records).

### 306 **REGISTRATION OF CERTIFIED CREDITS IN THE ARIZONA EMISSIONS**

**BANK:** The owner or operator of a permitted generator or a regulatory generator may register certified credits with the Arizona Emissions Bank. To register a certified credit:

**306.1 Owner or Operator:** The owner or operator of a permitted generator or regulatory generator shall:

- a. Indicate on the MCAQD emission reduction credit application their plan to register the certified credits in the Arizona Emission Bank; and

- b. Open an Arizona Emissions Bank account per A.A.C. R18-2-1206.A.

**306.2 Control Officer:** The Control Officer shall notify the ADEQ of the number of certified credits issued to the permitted generator or regulatory generator on a form prescribed by the ADEQ.

### 307 **USE OF THE CERTIFIED CREDITS:**

**307.1 Certified Credits Registered in the Arizona Emissions Bank:**

- a. An account holder who intends to use the certified credits held in its account as offsets shall file an application to use the certified credits on the form prescribed by the ADEQ.

- b. On approval of the application, the ADEQ shall:

- (1) Issue a certificate to the account holder representing the number of certified credits that may be included in the permit or permit revision application of the stationary source;

- (2) Notify the Control Officer of the issuance of the certificate; and

- (3) Change the status of the certified credits to use approved.

- c. The Control Officer shall provide notice to the ADEQ of the final action on the stationary source's application for a permit or for a permit revision.

- d. Reductions in qualifying emissions reflected in the number of certified credits shall be implemented before actual construction of the new stationary source or modification begins.

**307.2 Certified Credits Not Registered in the Arizona Emissions Bank:**

- a. The owner or operator of a stationary source who intends to use certified credits that are not registered in the Arizona Emissions Bank as offsets shall:

- (1) Notify the MCAQD of the intention to use the certified credits as an offset to meet emission limits; and
  - (2) Submit the certificate of issued certified credits to the MCAQD in conjunction with a stationary source permit application or permit revision.
- b. The Control Officer shall either:
- (1) Approve the use of the certified credits as offsets and:
    - (a) Notify the owner of operator of the number of certified credits that may be included in the permit or permit revision application of the stationary source; and
    - (b) If there are any remaining available certified credits, the Control Officer will reissue the certificate with a sequential revision number. This will provide documentation on the availability of the remaining certified credits.
  - (2) Deny the use of use of the certified credits for offsets and:
    - (a) Provide written notification of the reason for denying the use of the certified credits as offsets; and
    - (b) Return the certificate of issued certified credits to the owner or operator of the stationary source.

**307.3 Maintaining Surplus Integrity Criteria:** In order to maintain the surplus integrity criteria, the Control Officer may revise the amount of previously issued certified credits at the time of the credit's use.

## **SECTION 400 – ADMINISTRATIVE REQUIREMENTS**

### **401 OFFSET INTEGRITY RESPONSIBILITIES:**

- 401.1** Every six (6) months, a permitted source that uses certified credits from a regulatory generator as offsets shall:
- a. Obtain copies of the records from the regulatory generator required under Section 500 (Monitoring and Records).
  - b. Ensure the records correspond to the semi-annual compliance reporting time frame required by the permit holder's Title V Air Quality Operating Permit.
  - c. Review the records to verify that the emission reductions generated by the regulatory generator equal the amount of certified credits used as offsets for the permitted source.
  - d. Include the regulatory generator records in the semi-annual report.
- 401.2** Every six (6) months, a permitted source that uses certified credits from a plan generator as offsets shall:
- a. Obtain copies of the records the plan generator is required to maintain per the Arizona State Implementation Plan.
  - b. Ensure the records correspond to the semi-annual compliance reporting time

frame required by the permit holder's Title V Air Quality Operating Permit.

- c. Review the records to verify that the emission reductions generated by the plan generator equal the amount of certified credits issued by ADEQ for use as offsets.
- d. Include the plan generator records in the semi-annual report.

#### **401.3 Offset Shortage:**

- a. If a permitted source determines emission reductions being generated by the regulatory generator or plan generator are less than the amount of certified credits the permitted source used to obtain their New Source Review (NSR) permit, the permitted source shall:
  - (1) Notify the Control Officer by phone within 24 hours of the discovery.
  - (2) Submit written notice:
    - (a) Within 72 hours from the date of discovery documenting the shortage of emission reductions to the Control Officer. The written notice may be submitted by mail, email, facsimile, commercial delivery, or hand delivery.
    - (b) To include:
      - (i) A description of the shortage of emission reductions.
      - (ii) Steps taken to mitigate the emissions to compensate for the shortage of emission reductions.
  - (3) Within 72 hours from the date of discovery, limit operations to compensate for the shortage in emission reductions.
  - (4) Compensate for the ongoing shortage of emission reductions by submitting a permit application within 90 days that meets one of the following:
    - (a) Limits emissions.
    - (b) Provides replacement offsets.
    - (c) Is a combination of (a) and (b).
- b. A permitted source that operates without adequate offsets is in violation of these rules.

## **SECTION 500 – MONITORING AND RECORDS**

**501 RECORDKEEPING AND RECORDS RETENTION:** Records and data required by this section shall be:

- 501.1** Kept on site at all times by the generator in a consistent and complete manner, in either electronic or paper format.
- 501.2** Made available upon request and without delay to the owner or operator of the permitted source utilizing the certified credits and the Control Officer or his designee.
- 501.3** Maintained for five (5) years beyond the use or retirement of the credit.

**502 INSPECTIONS:** A generator shall provide the Control Officer with access to the premises for the purpose of conducting an inspection to verify compliance with this rule. An inspection may include, but is not limited to, a review of records and reports.

**503 TRUCK STOP ELECTRIFICATION (TSE) RECORDS:** A regulatory generator shall maintain the following records:

**503.1 Inventory Records:** A detailed inventory of fleet trucks used to generate credits shall include all of the following:

- a. For each fleet truck utilizing the private truck stop provide:
  - (1) Fleet identification number.
  - (2) The truck manufacturer.
  - (3) Truck model.
  - (4) Truck model year.
- b. Information on sources used to obtain idling speed, idling emission rate, or fuel use rate for each truck engine when used to calculate emission reduction credits.
- c. The date each truck was:
  - (1) Added to the inventory.
  - (2) Removed from the inventory.
- d. **Monthly:** The regulatory generator shall review and, if necessary, update the equipment inventory.

**503.2 Operational Records:**

- a. **Daily:** The regulatory generator shall record the number of hours, as rounded to the nearest quarter hour, the idle reduction technology is used for each electrified parking space using TSE-based dataloggers for recording truck plug-in and TSE runtime.
- b. **Monthly:** The regulatory generator shall record all of the following for each calendar month:
  - (1) The number and availability of electrified truck stop spaces.
  - (2) Dates and description of maintenance and repairs to the idle reduction technology conducted at each electrified truck space.
  - (3) An electricity consumption record for each electrified truck space.

**503.3 Emission Reductions Records:** Within fifteen (15) days of the end of each month, the regulatory generator shall:

- a. Calculate the amount of emission reductions generated from each electrified truck space during the preceding month using the methodology in Appendix A (Calculations for Determining Emission Reductions from Each Electrified Truck Space).
- b. Calculate a rolling twelve (12) month total of emission reductions.

- c. If the rolling 12-month total is less than the amount of emission reduction credits originally certified, the regulatory generator shall, within 24 hours, notify:
  - (1) The Control Officer; and
  - (2) The permitted source relying on the certified credits as offsets.

**504 TRANSPORT REFRIGERATION UNIT (TRU) RECORDS:** A regulatory generator shall maintain the following records:

**504.1 Inventory Records:** A detailed inventory of fleet electric standby equipped truck and or trailer TRUs used to generate credits shall include all of the following:

- a. For each electric standby equipped truck and or trailer TRU used to generate credits the following:
  - (1) Fleet identification number.
  - (2) The TRU manufacturer.
  - (3) The TRU model.
  - (4) The TRU model year.
- b. The date each electric standby equipped truck and or trailer TRU was:
  - (1) Added to the inventory.
  - (2) Removed from the inventory.
- c. **Monthly:** The regulatory generator shall review and, if necessary, update the equipment inventory.

**504.2 Operational Records:**

- a. **Daily:** For each electric standby equipped TRU, the regulatory generator shall record the number of hours, as rounded to the nearest quarter of an hour, the electric standby equipped TRU utilizes electric power.
- b. **Monthly:** The regulatory generator shall record:
  - (1) The date and a description of maintenance and repairs to each:
    - (a) Electrical standby equipped TRU.
    - (b) Electric power connection.
  - (2) Electricity consumption records for each electric standby equipped TRU.

**504.3 Emission Reductions Records:** Within fifteen (15) days of the end of each month, the regulatory generator shall:

- a. Calculate the amount of emission reductions generated from each electric standby equipped TRU during the preceding month using the methodology in Appendix B (Calculations for Determining Emission Reductions from Each Electric Standby Equipped TRU).
- b. Calculate a rolling twelve (12) month total of emission reductions.

- c. If the rolling 12-month total is less than the amount of emission reduction credits originally certified, the regulatory generator shall, within 24 hours, notify:
  - (1) The Control Officer; and
  - (2) The permitted source relying on the certified credits as offsets.

**505 ONSITE EQUIPMENT RECORDS:** A regulatory generator shall maintain the following records:

**505.1 Electrified Fleet Inventory Records:** A detailed inventory of all electrified fleet onsite equipment used to generate credits shall include all of the following:

- a. For each piece of onsite equipment, provide all of the following:
  - (1) The equipment manufacturer.
  - (2) The model number.
  - (3) The model year.
  - (4) The equipment category.
  - (5) A description of the equipment.
- b. Information on sources used to obtain family or test group, fuel capacities, and emission rates of each onsite equipment engine when used to calculate emission reduction credits.
- c. The date each piece of onsite equipment was:
  - (1) Added to the inventory.
  - (2) Repowered.
  - (3) Removed from the inventory.

**505.2 Diesel and Gasoline Fleet Inventory Records:** A detailed inventory of all fleet diesel and gasoline powered onsite equipment used for the same purpose as electrified equipment that includes all of the following:

- a. For each piece of onsite equipment, provide all of the following:
  - (1) The equipment manufacturer.
  - (2) The model number.
  - (3) The model year.
  - (4) The equipment category.
  - (5) A description of the equipment.
  - (6) Fuel type.
- b. The date each piece of onsite equipment was:
  - (1) Added to the inventory.
  - (2) Repowered.
  - (3) Removed from the inventory.



**505.3 Monthly:** The regulatory generator shall review and, if necessary, update the equipment inventory.

**505.4 Operational Records:**

**a. Monthly:** For each electrified piece of onsite equipment used to generate credits, the regulatory generator shall record a description of all maintenance and repairs and at least one of the following to demonstrate the equipment is used in the same manner as was represented in the emission reduction credit application:

(1) Hours of operation.

(2) Mileage accrued.

(3) Electricity consumed.

**b. Monthly:** For each piece of conventionally-fueled onsite equipment that can be used for the same purpose as the electrified piece of equipment used to generate credits, the regulatory generator shall record a description of all maintenance and repairs and at least one of the following:

(1) Hours of operation.

(2) Mileage accrued.

(3) Fuel consumed.

## APPENDIX A

### CALCULATIONS FOR DETERMINING EMISSION REDUCTIONS FROM EACH ELECTRIFIED TRUCK SPACE

- A.** Baseline Emissions = Annual Utilization (hrs) × Truck Idling Pollutant Emission Factor (g/hr)
1. Where g is grams of pollutant and hr is hour or hours.
  2. The truck idling pollutant emissions factor is the Model Year 2007 emission rate or the most recent applicable federal truck emission standard.
  3. Annual utilization is the aggregate number of hours (annual average using historical data for most recent and representative two-year period) of actual long duration idling that is directly displaced by truck stop electrification utilization for the truck type. Where available, these data shall be obtained from truck telematics or datalogging data. If such data are unavailable, the applicant shall submit data logs, records, or receipts showing length of time fleet trucks have been resident at the private truck stop location to be equipped with TSE, and the periods of time truck engines were operated at those locations.
  4. The above calculations yield gm/year. To obtain tons/yr, the regulatory quantity, multiply by  $1.1 \times 10^{-6}$ .
- B.** Post project emissions for truck stop electrification utilization (elimination of truck idling while operating on electricity) is zero. The regulatory generator shall propose a factor for TSE utilization (i.e. the proportion of eligible truck idling time that, on an annual average, will be used each electrified truck space.) This proportion will become an enforceable limit on each certified credit.
- C.** The amount of eligible emission reduction credits for each electrified truck space is determined by subtracting post project emissions from baseline emissions.

## APPENDIX B

### CALCULATIONS FOR DETERMINING EMISSION REDUCTIONS FROM EACH ELECTRIC STANDBY EQUIPPED TRU

- A.** Baseline Emissions = Rated HP × Load Factor × Annual Utilization (hrs/year) × Pollutant Emission Factor (g/hp-hr)
1. Where g is grams of pollutant, hp is horsepower, and hr is hour or hours.
  2. Pollutant emissions factor is the emission rate allowed by the federal standard currently applicable to the source category to which the TRU equipment belongs.
  3. Rated HP is the TRU engine power rating as certified by the manufacturer in meeting the currently applicable federal standard.
  4. Load factor is the unitless fraction of the engine's rated power that is utilized in performing an average annual duty cycle and is derived from actual operational data.
  5. Annual utilization is the aggregate number of hours (annual average using historical data for most recent and representative two-year period) of actual TRU utilization that is directly displaced by the use of electric standby equipped TRU and electricity from the electric power grid.
  6. The above calculations yield gm/year. To obtain tons/yr, the regulatory quantity, multiply by  $1.1 \times 10^{-6}$ .
- B.** Post project emissions for all-electric equipment is zero.
- C.** The amount of eligible emissions reductions credits for each TRU is determined by subtracting post project emissions from baseline emissions.

## APPENDIX C

### CALCULATIONS FOR DETERMINING EMISSION REDUCTIONS FROM EACH PIECE OF ONSITE EQUIPMENT

- A.** Baseline Emissions = Rated HP × Load Factor × Annual Utilization (hrs/year) × Pollutant Emission Factor (g/hp-hr)
1. Where g is grams of pollutant, hp is horsepower, and hr is hour or hours.
  2. Pollutant emissions factor is the emission rate allowed by the federal standard currently applicable to the source category to which the equipment belongs.
  3. Rated HP is the onsite equipment engine power rating as certified by the manufacturer in meeting the currently applicable federal standard.
  4. Load factor is the unitless fraction of the engine's rated power that is utilized in performing an average annual duty cycle and is derived from the last two years of actual operational data.
  5. Annual utilization is the aggregate number of hours (annual average using historical data for the most recent and representative two-year period) of actual onsite equipment utilization.
  6. The above calculations yield gm/year. To obtain tons/yr, the regulatory quantity, multiply by  $1.1 \times 10^{-6}$ .
- B.** Post project emissions for all-electric equipment is zero.
- C.** The amount of eligible emission reduction credits for each electrified piece of onsite equipment is determined by subtracting post project emissions from baseline emissions.